KIBO MINING PLC

ANNUAL REPORT & ACCOUNTS

2017

2017

HIGHLIGHTS 2017

MBEYA COAL TO POWER PROJECT (COAL)

- Completion of Integrated Bankable Feasibility Study
- Memorandum of Understanding signed on strategic regional collaboration and reciprocal supply of materials agreement with Mbeya Cement Ltd
- Opening of two Kibo funded classrooms in Songwe Region as part of the Company's corporate social responsibility programme in southern Tanzania
- Written re-affirmation of the Tanzanian Government's support for the MCPP amid significant reform of the Tanzanian mining legal and regulatory framework
- Transmission Line contract for the evacuation of power from the MCPP power plant awarded to SEPCO III
- Environmental and Social Impact Study certification awarded to MCPP following a lengthy process of multi-stakeholder engagement
- Signing of Memorandum of Understanding between the Company and TANESCO (state electricity supply company) on the Power Purchase Agreement (announced in February 2018)
- Rationalisation of early project portfolios as part of process in moving the Company from being a multi-commodity early stage explorer to a regional energy producer

HANETI PROJECT (NI-CU-PGM)

- Haneti maintained in good standing which the Company continues to seek and evaluate joint venture and/or other funding proposals to enable it carry out the next stage of exploration

IMWERU & LUBANDO PROJECTS (KIBO HOLDS 57% INTEREST)

- Projects divested to AIM listed Katoro Gold PLC who raised £1.5 to advance completion of Definitive Mining Feasibility Study at Imweru
- Initial drill programme at Imweru expanded to 3,410 meters (31 holes) and completed ahead of schedule and within budget
- Environmental and Social Impact Study at Imweru significantly advanced with completion of initial fieldwork and approval of report on terms of reference and scope of work by relevant Tanzanian environmental body
- Mining Licence Application for Imweru submitted
- Lidar mapping survey completed to generate detailed digital terrain model of proposed Imweru mine site
- Resource Update, Pit Optimisation and Mine Design nearing completion for Imweru for completion of mining Pre-feasibility Study

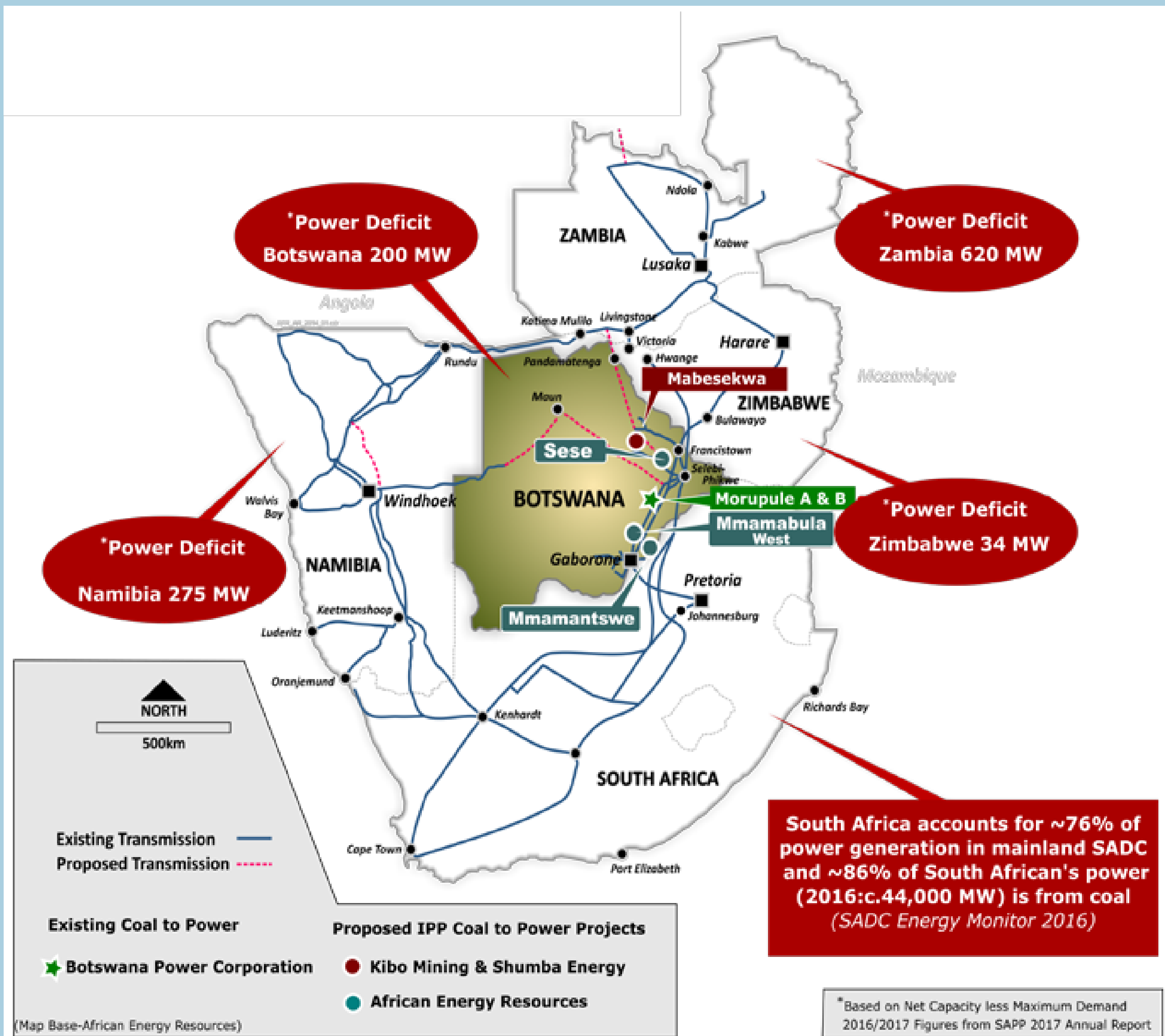
NEW PROJECTS

- Memorandum of Understanding signed to acquire an 85% interest Makesekwa Coal Independent Power Project (MCIPP) in Botswana from Shumba Energy Limited
- MCIPP will comprise a 300 Mt thermal coal deposit with a plan advanced to scoping stage by Shumba to construct a mouth of mine power station to export power to South Africa
- MCIPP transaction completed in April 2018

CONTENTS

ON THE PATH TO BECOMING A REGIONAL AFRICAN ENERGY PRODUCER

Botswana is ideally located with abundant coal to help address Southern Africa's current power deficit and so support the rapid economic development of the region




Imweru & Lubando
(GOLD)
Katoro Gold
Haneti
(NICKEL, PGE & GOLD)
Tanzania
KIBOMINING PLC
Mbeya
(COAL TO POWER)
Mabesekwa
(COAL TO POWER)
Botswana
KIBOMINING PLC
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CHAIRMAN'S STATEMENT

Dear Shareholders,

2017 was a challenging year for Kibo as we pushed ahead with our efforts to complete a Power Purchase Agreement (PPA) for our flagship Mbeya Coal to Power Project (MCPP) amid significant upheavals and changes in the Tanzanian mining policy and regulatory environment. As might be expected, these events have impacted on our anticipated time line to finalise a PPA with the Tanzanian Government and complete Financial Close on the project. I am delighted to reflect that despite these delays, at the end of 2017, the Tanzanian Government reconfirmed in writing its strong support for the MCPP as an important component of its national energy strategy and undertook to expedite finalisation of the PPA. As you are no doubt aware this commitment was backed up when we signed a Memorandum of Understanding (MOU) with the Tanzanian State Electricity Company (TANESCO) in February 2018 as a preparatory step to finalising a PPA. Management is now in advanced negotiation with TANESCO on the finalisation of the full PPA.

The publication of the MCPP Integrated Bankable Feasibility Study (IBFS) at the start of 2017 was the culmination of 3 years work by Kibo and the most important milestone in the development path for the project to date. The positive results from the IBFS signalled a major de-risking of the project and confirmed it as an attractive investment opportunity that should ensure that it can be brought to Financial Close once the PPA has been agreed with the Tanzanian Government.

I look forward to the remainder of 2018 to see the conclusion of the project's development and financing phases and the start of the construction phase on this piece of critical energy infrastructure that will considerably benefit the socio-economic development of southern Tanzania.

Management's success in bringing the MCPP to an advanced stage of development, the experience accumulated in the process and the strategic relationships developed have motivated the board to re-orientate the Company towards becoming a regional energy producer in Africa. This marks a natural evolution in our strategy over the last five years from being an early stage explorer with a diverse commodity portfolio to a company on the brink of being a focused coal to power generator. Supporting this strategy, we announced a Memorandum of Understanding in November 2017 on terms for acquiring an 85% interest in the Mabesekwa Coal Independent Power Project (MCIPP) in Botswana. This transaction, which has recently been completed, marks the first step in expanding Kibo's footprint in the energy sector in Africa and realising its strategy of transforming the Company into a regional African energy producer. I am proud to mention the award of Innovative Project Development Deal of the Year 2017 to the Company for the MCPP by our strategic partner GE Electric, a strong endorsement of our capability to successfully implement this transformation.

It is worth reflecting on the fact that the power sector in Sub-Saharan Africa is significantly

Mineralised Drill core Imweru 2017

underdeveloped, regarding energy access, installed capacity, and consumption. This is a major limiting factor on sustaining economic growth and fulfilling the economic and social promise of the region, and Africa in general. Sub-Saharan Africa contains 13% of the world's population but 48% of the share of the world's population without electricity (McKinsey Special Report 2015). In this context, we see an attractive opportunity for Kibo to position itself as a regional power producer to facilitate and share in the economic development of the region. The MCPP and the MCIPP share many similarities and we are well placed to harness the synergy between the projects across all aspects of their developments.

During 2017 we completed the divestment of our resource based gold assets, Imweru and Lubando, in northern Tanzania to AIM listed Katoro Gold PLC in which we retain a 56.7% interest. This divestment not only supports our strategy to reposition Kibo as a standalone energy company but enhances our shareholders opportunity to realise value from these assets within a separately financed, dedicated gold company. Katoro is singularly focused in the near term on bringing the Imweru Mineral Resource into production and I believe its progress towards meeting this objective during 2017 was impressive. The company commenced a drill programme on Imweru immediately after AIM admission in May 2017 which was subsequently expanded and completed ahead of schedule and within budget in July 2017. Despite the drilling coinciding with the implementation of major mining regulatory changes in Tanzania which caused some delays in drill sample dispatch for analysis, Katoro's work towards completing a Definitive Mining Feasibility study continued at pace. It submitted the Mining Licence Application for Imweru in September and was granted approval for the scope and terms of reference of the Imweru Environmental Social Impact Study by the relevant Tanzanian authorities in October. The drilling results have now all been received and the company is busy preparing an updated gold Mineral Resource Statement and a Prefeasibility Study.

We continue to hold our Haneti (Ni-Cu-PGM) project as an important pipeline project in the rationalised Kibo licence portfolio. Unfortunately, we did not get the opportunity to complete our initial planned drilling programme on the project during 2017 but we continue to investigate funding options to commence this work as soon as possible.

On the corporate front, we continued our relationship with Sanderson Capital Partners ("Sanderson"), who hold a minority interest in the MCPP, in arranging innovative funding arrangements to advance the MCPP. The terms of the forward payment facility agreed in December 2016 were mutually revised in September 2017 allowing for an extension to the drawdown schedule and part re-payment of funds already drawn by the issue of a convertible loan note to Sanderson which it immediately converted to Kibo shares. Convertible loan notes were also issued on the same date by the Company in payment of awards under the Company's Management Incentive Scheme and to one high net

MCPP Power to be evacuated to Tanzanian grid (stock photo)

worth individual. A small placing of 277,768 shares at a price of 4.75p, per share, was also completed in settlement of invoices from service providers in lieu of cash during 2017.

Finally, I wish to thank our CEO Louis Coetzee and his management team for their dedication in skilfully guiding the Company through the challenges of 2017, particularly in relation to the recent changes to mining legislation and regulation in Tanzania. I look forward with optimism to 2018 and beyond for the construction of the MCPP mine and power plant, advancement of the MCIPP in Botswana and construction of a gold mine at Katoro's Imweru project.

Christian Schaffalitzky
Chairman
Date: 12 June 2018

MCPP Power Purchase Agreement Planning Session February 2018, Stellenbosch, South Africa

REVIEW OF ACTIVITIES

INTRODUCTION

The following sections provide a summary of the principal activities carried out by the Company on its projects during 2017. In line with its strategy for existing projects, Kibo continues to evaluate, prioritise and rationalise its project licence portfolios in order to focus resources on those areas the Company believes offers the best opportunities for exploration and development success. Kibo had disposed of its Imweru and Lubando projects to Katoro Gold PLC ("Katoro"), effective 23 May 2017 for the consideration of £3.66 million settled through the issue of shares in Katoro, resulting in retention by the Company of a 57.1% (currently 56.7%) indirect beneficial ownership of the Imweru & Lubando projects. Furthermore, since year end Kibo has concluded the acquisition of an 85% interest in the Mabesekwa Coal Independent Power Project situated in Botswana, in order to further advance the Company's broader strategy to position itself as a strategic regional energy company focused on tackling the acute power shortage, particularly in Southern Africa .

OPERATIONAL

COAL

Mbeya Coal to Power Project (MCPP)

During 2017 Kibo continued to make steady progress on moving the MCCP, towards Financial Close in preparation for the commencement of construction of this 300 MW coal fed thermal power plant in southern Tanzania. This progress was made during a period in which the Tanzanian Government implemented substantial changes to its policy and regulations for mining and energy development projects in the country. These changes commenced in January with a major restructuring of the state electricity utility company, TANESCO, with whom Kibo were already at an advanced stage of discussion on a Power Purchase Agreement (PPA). Regrettably, this interrupted focused engagement with TANESCO while its board was being replaced and the semi-state utility restructured. In early July 2017, the Tanzanian Government announced wide ranging changes to the legal framework governing the natural resources sector in the country. These changes had the most negative financial and operational impact on existing mining operations in Tanzania who were exporting mineral products under existing legislation. In this respect, the impact on Kibo is not as severe as it is not yet a mineral exporting or revenue generating company. Furthermore, the MCPP is recognised by the Tanzanian Government as a key piece of energy infrastructure development where the primary consumer for the mined coal will be the associated thermal power plant and thus it will be an in country project providing for much needed additional electricity generation capacity in Tanzania.

Despite the changing mining regulatory environment in Tanzania during 2017 noted above,

Regional distribution of Kibo Projects in Tanzania

Kibo made further steady progress on the MCPP development. In January, the Company announced the completion of a key document, the Integrated Bankable Feasibility Study (IBFS) on the project.

The highlights included:

- Total capital requirement for the integrated project reduced 21.1 % from the original integrated prefeasibility study (IPFS) figure;
- Indicative MCPP total revenue over an assumed 25-year life of project (Note: the final life of project will be fixed by the final PPA) of approximately US$7.5 to US$8.5 billion;
- Indicative post tax Equity IRR between 21% and 22%, an increase of 11% on the indicative IPFS post-tax Equity IRR, based on the following conservative debt assumptions:
  - Debt tenor: 12 years;
  - All in interest rate (post construction): 10%; and DSRA facility: 6 months
  - Post tax Project IRR ranging between 14.7% and 16%; and
- Indicative post-tax payback:
  - *Equity Payback period:* 4 to 5 years
  - *Debt Payback Period:* 11 to 12 years
- Sufficient additional coal resources available from the Mbeya Coal Mine to expand the power station to more than double the current design size and plant life. In this regard, the plant design already makes provision for a future second stage expansion to 600MW (i.e. a further 300MW of capacity with the potential for a third stage expansion of a further 400MW in the long term);
- Technical and environmental risk assessment confirmed construction–ready state of the project, with no 'red flags' on the environmental side, bearing in mind the clean coal nature of the plant design, and
- The MCPP can be constructed and commissioned within the previously projected schedule duration of 36 months.

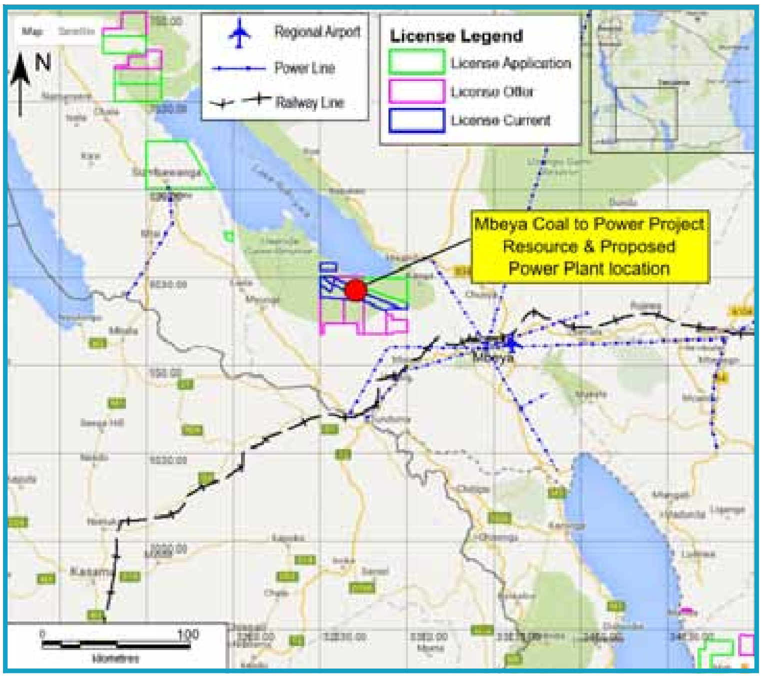
In March 2017, the Company announced the signing of a Memorandum Of Understanding ("MOU") with southern Tanzania based cement manufacturer, Mbeya Cement Ltd, to develop a strategic regional collaboration and reciprocal supply of materials agreement. This was a first step in the Company's strategy of developing a diversified internal market for its coal product while simultaneously developing synergistic relationships with existing local industries and supporting regional socio-economic development. The MOU commits the companies to explore business collaboration whereby Kibo will supply Mbeya Cement with coal, fly ash and power for its cement plant while Mbeya Cement will supply cement for the construction of the Mbeya coal and power plants. The companies also committed to collaborate on seeking adequate supply of limestone for their respective operations and to explore how they could work together with regional development partners to maximize the socio-economic benefits of their operations for the region. Also in March 2017, the Company announced the opening of two new classrooms at Meheza and Namkukwe villages in the Songwe Region near the MCPP site whose construction it had funded as part of an on-going commitment to support education in the region.

Company activity in the second half of 2017 was dominated by extensive meetings with Tanzanian Government bodies and other MCPP stakeholders. These meetings were primarily focused on agreeing the scope and timeline for the negotiation of a PPA for the MCPP. Significant encouragement for this process was received by Kibo from the Tanzanian Government (Ministry of Energy and Minerals) at the start of June 2017 where it provided written reconfirmation of its support for the MCPP asking for the project to be expedited. This timely boost to the MCPP was reassuring as it came at a time of on-going policy reviews, management changes within key Tanzanian Government departments and the implementation of new mining legislation.

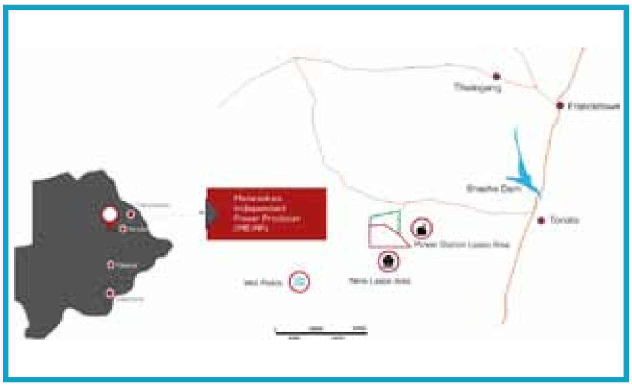
While these meetings with the Tanzanian Government were on-going, two important operational milestones for the MCPP development were concluded. Firstly, at the end of August, Kibo conditionally awarded the Transmission Line contract (for the evacuation of power from the MCPP power plant to the Songwe District sub-station) to SEPCO III following an in-country line survey and a bid review process conducted by Kibo and Tractebel Engineering. Secondly, in October 2017, the Tanzanian Government granted an Environmental and Social Impact Assessment (ESIA) certificate to both the MCPP coal mine and power plant. The awarding of this certificate concluded a lengthy process of field studies, multi-stakeholder engagement and detailed critical review by the Tanzanian authorities and represents a robust social and environmental licence for Kibo to develop and operate the MCPP.

The final critical agreement for the MCPP to move to Financial Close, a PPA with the Tanzanian Government, reached an important interim stage in February 2018 with the signing of an MOU

MCPP Project tenements at 31st Dec 2017



Mabeskwa Coal Project Location

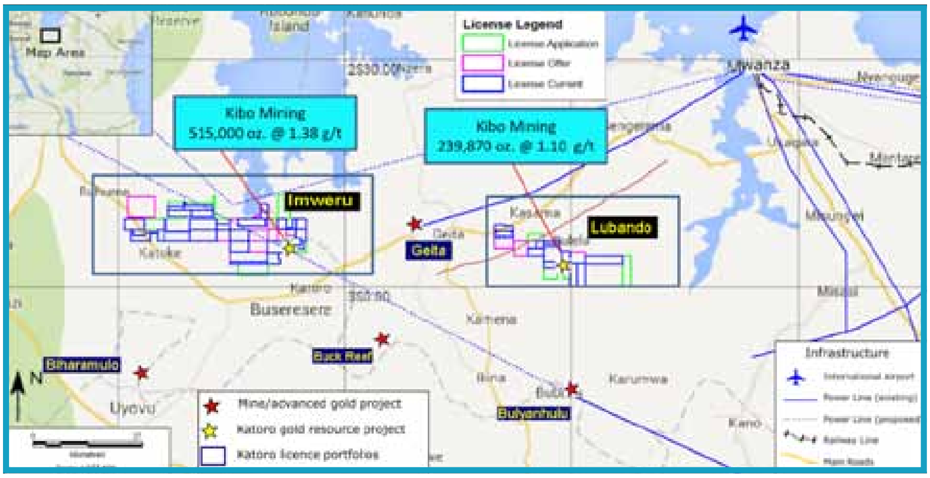


between the Company and TANESCO which sets out clear guidelines, deliverables and timelines for the conclusion of the PPA. These included a commitment by the Tanzanian Government to expedite the negotiation process to finalise a full PPA which it had previously agreed to complete by the end of Q1 2018 although this will clearly now take a little longer.

Mabesekwa Coal Independent Power Project ("MCIPP")

The Company announced the terms for the acquisition of an 85% interest in a company holding a Botswanan coal-to-power project, the Mabesekwa Coal Independent Power Project (MCIPP), in November 2017. The project interest was acquired from Sechaba Natural Resources Limited ("Sechaba") a subsidiary of Shumba Energy Limited ("Shumba"), a regional power producer in the southern African region for 153.71 m new shares in Kibo in an all share transaction which recently completed in April 2018. Under the terms of the acquisition, Sechaba retains modest production royalties from the Company holding the MCIPP of USD 0.50 per tonne of coal mined and USD 0.0225 per kilowatt hour of power produced should the project go into production. The MCIPP is in north eastern Botswana and comprises a 300 Mt subset of a 777 Mt Coal Resource (Mabesekwa Coal Resource) for which a scoping study on a linked coal fired thermal power plant has already been completed by Sechaba. The project has many similarities with Kibo's more advanced MCPP project and the synergies therein across economies of scale in equipment, execution, project finance should benefit the rapid advancement of the MCIPP. Additionally, the key strategic partnerships that Kibo have established on the MCPP can be leveraged to the MCIPP.

The MCIPP is 64 km south-west of the city of Francistown and is located about 100 km and 200 km respectively from the Zimbabwean and South African borders. Critically, it is close to road, rail, air and power grid links and ideally located for the evacuation of power to the South African market. The urgent demand for additional baseload power generation in South Africa is reflected in the country's so called Cross Border Project initiative where the South African Government is



Katoro's Imweru & Lubando Projects at 31st Dec, 2017

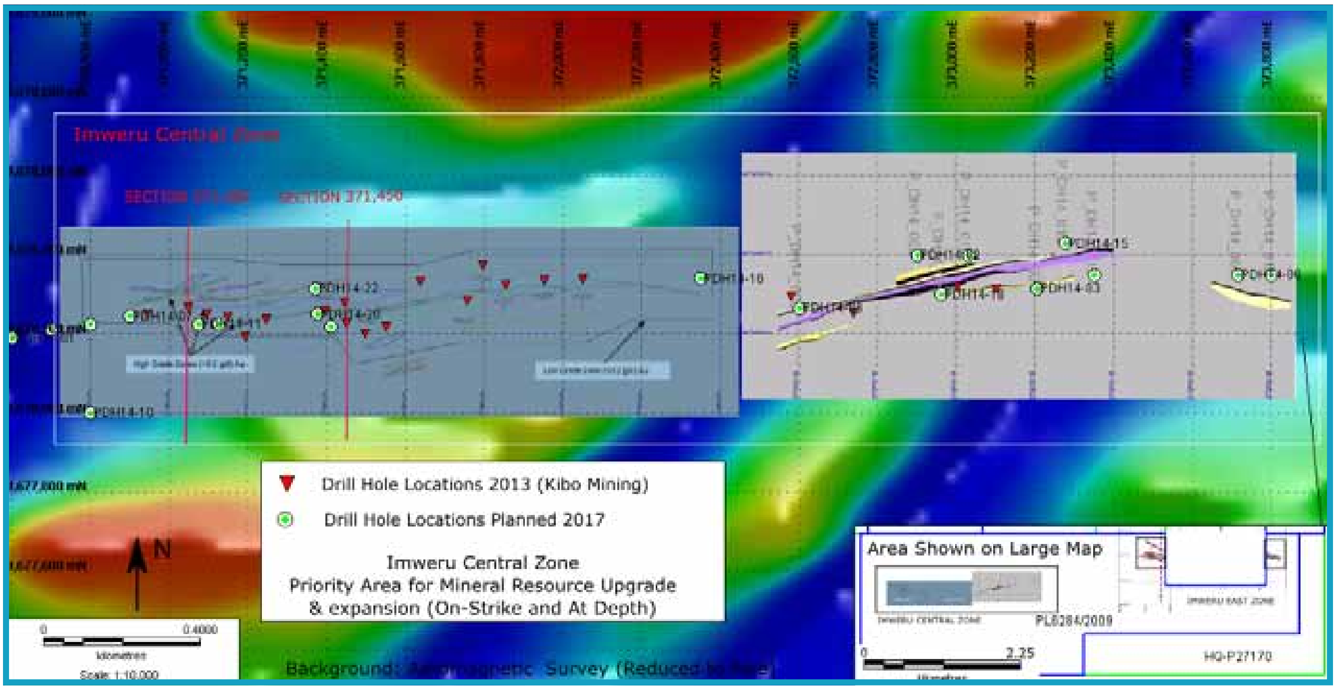
encouraging independent power producers (IPPs) in neighbouring countries to export base load power to the South African grid. The South African Government has earmarked 3,750 megawatts to be generated from coal from cross border projects.

The [1]Mabesekwa Coal Resource (777 Mt, of which the MCIPP holding company has excised 300Mt) is located within the Foley Coal Field located at the north-eastern end of the coal bearing Kalahari Karoo Basin which covers about 70% of Botswana. It comprises up to 5 flat lying coal seams with average thicknesses of 3-6m although locally individual seams can be much thicker.

The coal occurs at depths of 50-60 metres, from the surface and is accessible to open pit mining. The coal is classified as sub-bituminous in rank and is ideal for thermal power generation. Shumba Energy has already carried out conceptual studies and technical work on the coal to power project including a prefeasibility study for the mining of the Coal Resource, a scoping study on the power plant and advanced engagement with the relevant Botswanan and South African licencing authorities, government departments and other key stakeholders in the project. Shumba has also completed an Environmental and Social Impact Study on the mine and power plant for which it has received government certification as well as having secured water and land use permits.

Kibo plans to continue with development plans already started by Sechaba for the construction of a coal mine and a linked thermal power station for export of power into the South African market. As already noted, the South African Government is actively encouraging the import of power from IPPs located both within and outside South Africa to guarantee its future electricity supply security. Kibo's initial work will be to produce a new Coal Resource statement for the 300 Mt subset that the MCIPP holding company has excised from the existing Mabesekwa Coal Resource and use it as an input to definitive feasibility studies on a combined coal mine and power plant. Under the terms of the acquisition agreement with Shumba, Shumba granted Kibo rights of first refusal on any energy projects Shumba may pursue within six years of the completion date of the transaction, while Kibo provided similar rights to Shumba over coal export projects that Kibo may pursue. This will put Kibo in a good position to implement its strategy of building a diversified portfolio of strategically located energy assets across Africa.

[1]Reference should be made to the Company's RNS announcements of the 30th November 2017 and the 3rd April 2018 for full details on the Mabesekewa Coal Resource, a Competent Person's statement and the Company's attributable interest. The Company confirms that there has been no material change to the Mabesekwa Coal Resource since the Coal Resource estimate was first published as part of the Company's RNS of the 30th November 2017.



Imweru Phase 1 Drill Plan 2017

GOLD

Imweru & Lubando

During 2017, Kibo completed the divestment of its two gold projects, Imweru and Lubando, to a gold focused AIM listed company, Katoro Gold PLC to release value in them for shareholders. This divestment was accomplished by means of the transaction with Opera Investments PLC whereby Opera acquired the Imweru and Lubando projects from Kibo for the issue of 61 million new shares in Opera to Kibo thereby making Kibo the largest shareholder in Opera with an initial shareholding of 57.1%. As part of the transaction, Opera was renamed Katoro Gold PLC and admitted to AIM on 23 May 2017. AIM admission was accompanied by a placing of £1.5 million which is being used to advance gold mine development at Imweru.

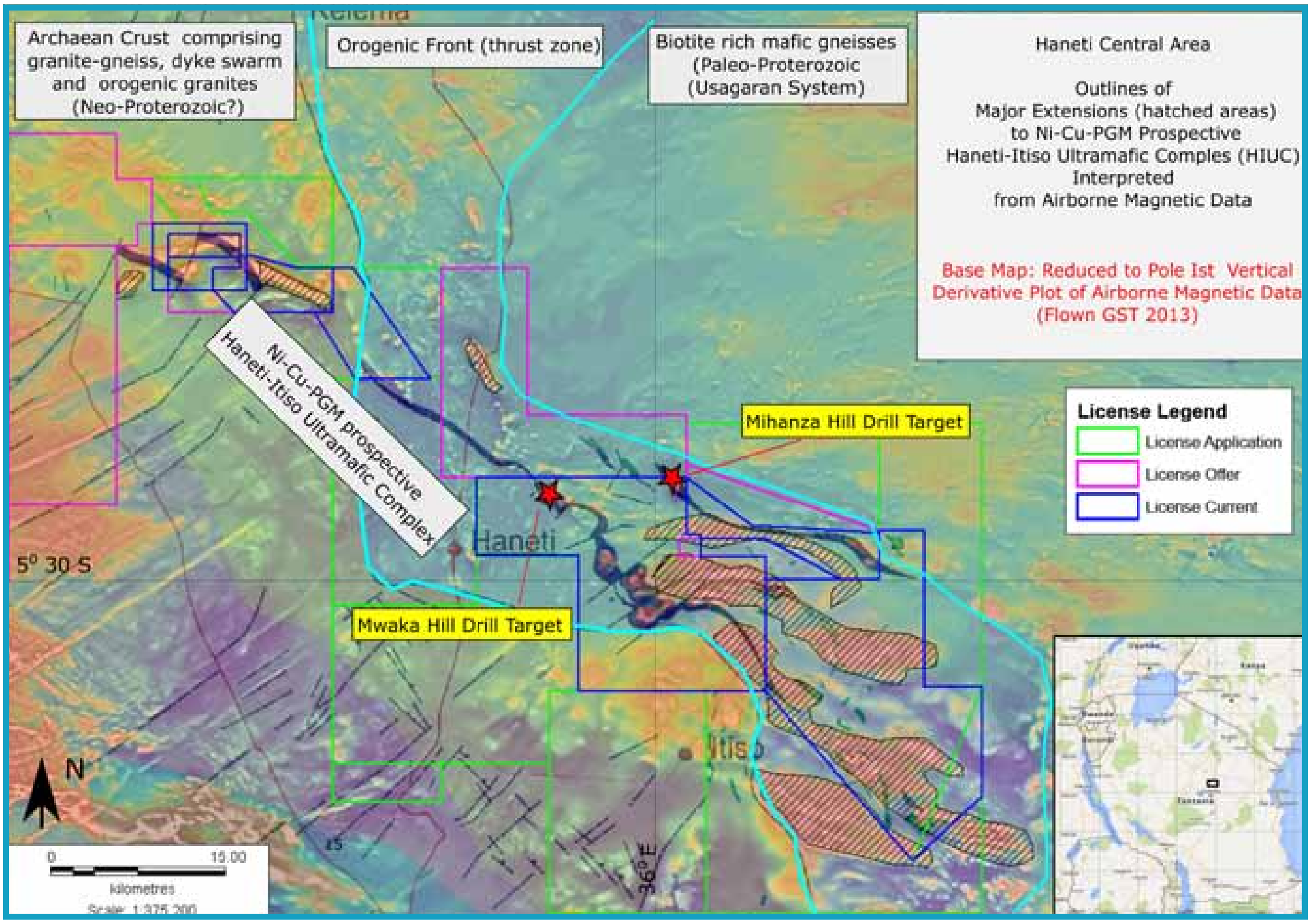
Katoro's near term objective is to complete a Definitive Mining Feasibility Study ("DMFS") at Imweru and, contingent on a positive outcome, to construct a gold mine with a near term production of 50,000 oz per year. An initial scoping study by Kibo in 2015 demonstrated the potential for a mine developed at Imweru, with the initial production rate indicated and the opportunity to significantly increase this should further resource delineation drilling prove successful. The current JORC-compliant gold [2]Mineral Resource at Imweru stands at 11.6 Mt at 1.38 g/t (515,110 oz).

Following the admission to AIM in May, Katoro began an Initial drill programme at Imweru which it completed in July for a total of 31 holes and 3,410 metres. The purpose of the drill programme was to provide samples to support the resource update, mine design, extraction process and pit design components of a prefeasibility study, an interim step in the completion of the DMFS.

Unfortunately, the drill programme execution coincided with major changes in Tanzanian mining legislation, one of which resulted in stricter regulations and procedures around export of drill samples for analysis. While this caused some delay, Katoro quickly adjusted to the new regime. Samples for gold assay were dispatched to a reputable laboratory in Tanzania thus avoiding any delays under the new export rules. Drill samples for metallurgical and geotechnical analyses were exported to laboratories in South Africa as no facilities for such analyses are available in Tanzania. The export of these samples was delayed somewhat as Katoro took time to comply with the new export regulations and was not fully completed until September. During the second half of 2017, Katoro was granted certification and approval from the relevant Tanzanian environmental authority for the terms of reference and scoping report for the Imweru ESIA. This enabled the final phase of the ESIA study to proceed. During the same period, Katoro also submitted a Mining Licence application for the development of a mine at Imweru. These two critical elements for the DMFS were accomplished about two months ahead of schedule and as a result of the rapid completion of the initial drill programme and follow-up ESIA related fieldwork and preparatory work by Kibo operational staff and consultants who are still working on behalf of Katoro following its admission to AIM in May 2017.

Katoro received results from all the sample streams at the end of September and Katoro's technical personnel and consultants are busily working on the completion of a Mineral Resource update at Imweru and the completion of a pre-feasibility study, an interim step to the completion of the DMFS. The prefeasibility study has been greatly enabled by a Lidar survey completed during November 2017, the results from which has allowed an accurate digital terrain model of the proposed Imweru mine site be constructed. This will greatly facilitate, resource updates, pit optimisations and mine designs to be concluded with a high degree of accuracy.

Katoro also plans to develop the Lubando project which contains a current JORC-compliant [2]Mineral Resource of 6.8 Mt @ 1.10g/t (239,870 oz.) and evaluate the other earlier stage mineral licences with excellent gold discovery potential that it holds. These offer Katoro the opportunity to expand its gold resource inventory in this part of northern Tanzania (Lake Victoria Goldfields) where a number of large gold mines are already in



Haneti showing aeromagnetic interpretation & drill targets

Nickeliferous laterite scree - Haneti

production e.g. Bulyanhulu and Geita. In addition to Lubando, the immediate exploration interest is in strong gold-in-soil anomalies west of the Imweru Mineral Resource at Sheba which are at the drill-ready stage and will be tested as part of Katoro's medium term exploration strategy for the area. The greater Lubando project also comprises a large area of gold prospective exploration ground both east and west of the existing Lubando Mineral Resource at Pamba and Busolwa respectively.

[2]Reference should be made to the Competent Person's Reports contained within Katoro's AIM Admission Document published on the 23rd May 2017 found on the Katoro website www. katorogold,com for full details on the Imweru and Lubando Mineral Resources and a Competent Person's statement. The Company confirms that there have been no material changes to the Imweru and Lubando Mineral Resources since the publication of the Katoro AIM Admission Document.

NICKEL

Haneti Project

Kibo continued to maintain its Haneti nickel project in good standing during 2017 while it seeks a suitable joint venture partner or alternative funding option to enable it to implement the next phase of exploration. It has a budgeted drill programme prepared for immediate implementation should the appropriate funding become available. Haneti contains two well resolved nickel-copper-PGM targets arising from substantial previous field investigations by Kibo within a large mafic-ultramafic belt up to 80 km strike length where the potential for the outlining of additional drill targets has been established. The need for an increasing allocation of company resources to its flagship project, the MCPP, during 2017 as it approaches Financial Close has meant that no field work has been conducted on Haneti during the period. The Haneti Project has no carrying value in these annual financial statements.

RELINQUISHED PROJECTS

Morogoro Gold and Pinewood Uranium Projects

The Company terminated, by mutual consent, its joint venture agreements with Metal Tiger PLC on these projects during 2017 and relinquished the licence portfolios back to the Tanzanian Ministry of Energy and Minerals. This decision reflects a decision by the Kibo to focus its resources on its development and more advanced projects (and those of Katoro Gold PLC) i.e. the MCPP, Haneti, Imweru and Lubando projects. Morogoro and Pinewood were early stage exploration projects and their higher risk profile was considered not compatible with the Kibo's current project development status and the increased resources (financial and operational) required for allocation to its development projects.

CORPORATE

On the corporate front the Company continued to manage its funding prudently by taking advantage of the value in its assets, particularly the MCPP,

Kibo Management & Consultants - MCPP Field Visit 2017

to source alternative funding opportunities. In this regard, it continued its relationship with Sanderson Capital Partners Ltd ("Sanderson") by drawing £2 million of the available funding from its forward payment facility agreed with Sanderson in December 2016, of which £790,000 had been settled through the issue of shares to Sanderson during 2017 with a further settlement in 2018 amounting to £565,208 of which £365,500 was shares. Furthermore, the Company appointed two new joint Brokers during March 2018 from which £2.25 million gross was raised to further fund expansion and operational cash requirements. Further details of the directors' assessment of going concern are given on page 8. The Company also settled a small number of invoices from current service providers in Kibo shares as well as deferring costs under MCPP related engagement contracts until Financial Close. These financial arrangements were possible as a result of strong confidence by all concerned in the Company's ability to deliver the MCPP following the strongly positive results from the mining and power feasibility studies.

Drilling at night – Imweru

FINANCIAL
STATEMENTS

KIBO MINING PLC
ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017

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CORPORATE DIRECTORY

BOARD OF DIRECTORS:	Christian Schaffalitzky	Chairman (Non-Executive)
	Louis Coetzee	Chief Executive Officer
	Noel O'Keeffe	Technical Director (Non-Executive)
	Andreas Lianos	Financial Director (Non-Executive)
	Lukas Maree	Executive Director
	Wenzel Kerremans	Non-Executive Director

COMPANY SECRETARY: Noel O'Keeffe

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Johannesburg Stock Exchange: JSE Alt X - (Share Code: KBO) – Secondary

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Dublin 2
D02 A342

South Africa
Link Market Services South Africa (Pty) Ltd
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South Africa

PRINCIPAL BANKERS:
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Galway
Ireland

CORPORATE DIRECTORY

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	Novum Securities Limited 8-10 Grosvenor Gardens London SW1W 0DH
SOLICITORS:	***As to Irish Law:*** OBH Partners 17 Pembroke Street Upper Dublin 2 Ireland
	As to English Law: Druces LLP Salisbury House London Wall London EC2M 5PS
	As to Tanzanian Law: ENSafrica Tanzania Attorneys 6th floor, International House cnr. Shaaban Robert Street and Garden Avenue PO BOX 7495 Dar es Salaam Tanzania
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JSE DESIGNATED ADVISER:	River Group 211 Kloof Street Waterkloof Pretoria, South Africa
UK PUBLIC RELATIONS:	St. Brides Partners Ltd 3 St. Michael's Alley EC3V 9DS
WEBSITE:	www.kibomining.com
DATE OF INCORPORATION:	17 January 2008
REGISTERED NUMBER:	451931

DIRECTORS' REPORT

The Board of Directors present their Annual Report together with the audited annual financial statements for the year ended 31 December 2017 of Kibo Mining Plc ("the Company") and its subsidiaries (collectively "the Group").

The Board comprises a Non-Executive Chairman, two Executive Directors and four Non-Executive Directors. As the Company evolves, the Board will be reviewed and expanded if necessary to ensure appropriate expertise is in place at all times to support its business activities.

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets, major items of capital expenditure and acquisitions. An agenda and all supporting documentation is circulated to all Directors before each Board Meeting. Open and timely access to all information is provided to all Directors to enable them to bring independent judgement on issues affecting the Company and facilitate them in discharging their duties.

At the date of this report, the board of Directors comprised:

Christian Schaffalitzky - Chairman (Non-Executive)
Louis Coetzee - Chief Executive Officer (Executive)
Andreas Lianos - Financial Director (Non-Executive)
Noel O'Keeffe - Technical Director (Non-Executive)
Lukas Maree - Executive Director
Wenzel Kerremans - (Non-Executive Director)

Christian Schaffalitzky, BA (Mod), FIMMM, PGeo, CEng, Age 64 – Chairman (Non-Executive)
Christian Schaffalitzky is managing director of Eurasia Mining plc a company 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 a former independent director on the boards of Russian companies, Raspadskaya Coal Company and Chelyabinsk Zinc.

Louis Coetzee, BA, MBA, Age 53 – Chief Executive Officer (Executive)
Louis Coetzee has over 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 arena 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) specialising 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. Between 2007 and 2009, he held the position of Vice-President, Business Development with Canadian listed Great Basin Gold (TSX: CBG).

Noel O'Keeffe, BSc (Hons), Geology, MBA, Age 54 – Technical Director (Non-Executive) and Company Secretary
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 co-founding Kibo in 2008 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.

Lukas Marthinus Maree, BLC, LLB, Age 54 – (Executive)
Lukas 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, both of which have successfully developed and sold mineral projects in Russia and Tanzania in the last seven years. He was also a founder principal of River Group, Designated Advisors to the Listing of Kibo on the JSE, and was responsible for its Canadian office until his retirement from the Group in 2013 to pursue personal interests.

Wenzel Kerremans, B. Proc, LLB, LLM, Adv. Dip. Age 60 – (Non-Executive)
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 titaneferous 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.

Andreas (Andrew) Lianos, CA(SA), ACA, ACMA, Age 53 –Financial Director (Non-Executive)
Andrew is a chartered accountant (CA (SA)), certified management accountant (ACMA), certified internal auditor and JSE qualified executive who started his professional career in 1989 with Grant Thornton International. Andrew entered the corporate finance industry in 1994 by joining Deloitte & Touche Corporate Finance. In 1996, he joined Smith Borkum Hare/Merrill Lynch Corporate Finance, and was part of the team that founded Labyrinth Corporate Finance during 1997. He has substantial transaction experience in the resources, food and leisure industries. Andrew has served on the boards of a number of private and public companies. 20 years ago, Andrew co-founded the River Group, Kibo's JSE Designated and Corporate Advisor and is a director of River Capital Partners Ltd. He is also currently a director of Boudica Trust Co Limited (trading as Boudica Group). Andrew has been involved in a number of successful cross-border restructurings and resource transactions in Canada, the Central African Republic, Sierra Leone, Angola, Zambia, Zimbabwe, Tanzania and South Africa.

Review of Business Developments
As set out in the Chairman's Report and review of activities, as well as continuing with its exploration program, the Company continued to decrease its exploration ground holdings in Tanzania during the period, and furthered the development of its feasibility studies towards mining of the identifiable viable resources.

Principal Risks and Uncertainties
The realisation of exploration and evaluation assets is dependent on the discovery and successful development of economic mineral reserves and is subject to a number of significant potential risks summarised as follows, and described further below:

- Financial instrument & Foreign exchange risk ;
- Strategic risk;
- Funding risk;
- Commercial risk;
- Operational risk;
- Staffing and Key Personnel Risks;
- Speculative Nature of Mineral Exploration and Development;
- Political Stability; and
- Uninsurable Risks; and
- Foreign investment risks including increases in taxes, royalties and renegotiation of contracts.

Financial instrument and foreign exchange risk
The Company and Group are exposed to risks arising from financial instruments held and foreign exchange transactions entered into throughout the period. These are discussed in Note 25 to the Annual Financial Statements.

Strategic risk
Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, the Company may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that the Company will acquire any interest in additional operations that would yield reserves or result in commercial mining operations. The Company expects to undertake sufficient due diligence where warranted to help ensure opportunities are subjected to proper evaluation.

Funding risk
In the past the Company has raised funds via equity contributions from new and existing shareholders, thereby ensuring the Company remains a going concern until such time that revenues are earned through the sale or development and mining of a mineral deposit. There can be no assurance that such funds will continue to be available on reasonable terms, or at all in future. The Directors regularly review cash flow requirements to ensure the Company can meet financial obligations as and when they fall due.

Commercial risk
The mining industry is competitive and there is no assurance that, even if commercial quantities of minerals are discovered, a profitable market will exist for the sale of such minerals. There can be no assurance that the quality of the minerals will be such that the Company properties can be mined at a profit. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Mineral prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. Ultimately, the Company expects that prior to a development decision, a project would be the subject of a feasibility analysis to ensure there exists an appropriate level of confidence in its economic viability.

Operational risk
Mining operations are subject to hazards normally encountered in exploration, development and production. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact any future production throughout. Although it is intended to take adequate precautions to minimise risk, there is a possibility of a material adverse impact on the Company's operations and its financial results. The Company will develop and maintain policies appropriate to the stage of development of its various projects.

Staffing and Key Personnel Risks
Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. While the Company has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations which may be introduced by the relevant governmental authorities. Adverse changes in such legislation may have a material adverse effect on the Company's business, results of operations and financial condition. Staff are encouraged to discuss with management matters of interest to the employees and subjects affecting day-to-day operations of the Company.

Speculative Nature of Mineral Exploration and Development
In addition to the above there can be no assurance that the current exploration programs will result in profitable mining operations.

The recoverability of the carrying value of exploration and evaluation assets is dependent on the successful discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in market conditions could require material write downs of the carrying value of the Company's assets.

Development of the Company's mineral exploration properties is, amongst others, contingent upon obtaining satisfactory exploration results and securing additional adequate funding. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. The degree of risk reduces substantially when a Company's properties move from the exploration phase to the development phase. Management continuously assesses funding requirements against project viability and prioritise key projects over the short to medium term. As the key projects such as MCPP is moving closer to development phase the risk is further reduced.

The discovery of mineral deposits is dependent upon a number of factors including the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit, once discovered, is also dependent upon a number of factors, including the size, grade and proximity to infrastructure, metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. In addition, several years can elapse from the initial phase of drilling until commercial operations are commenced.

Political Stability
The Company is conducting its activities in Tanzania. The Directors believe that the Government of Tanzania supports the development of natural resources by foreign investors and actively monitor the situation. However, there is no assurance that future political and economic conditions in Tanzania will not result in the Government of Tanzania adopting different policies regarding foreign development and ownership of mineral resources. Any changes in policy affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, may affect the Company's ability to develop the projects.

Uninsurable Risks
The Company may become subject to liability for accidents, pollution and other hazards against which it cannot insure or against which it may elect not to insure because of prohibitive premium costs or for other reasons, such as amounts which exceed policy limits. The company chooses to manage these risks, as best possible, through cautious business practice, on a continuous business.

Foreign investment risks including increases in taxes, royalties and renegotiation of contracts
The Group is subject to risk arising from the ever-changing economic environment in which its subsidiaries operate, mainly driven by the changing regulatory environment governing corporate taxation, transfer pricing and other investment related operational activities. The Group continues to re-assess its investment decisions in order to limit exposure to the ever-changing regulatory environment in which it operates.

Results
The result for the year after providing for depreciation and taxation amounted to a loss of £4,519,813 for the year ended 31 December 2017 (31 December 2016: 3,585,416).

Post Statement of Financial Position events
There have been no material post reporting date events other than those stated in Note 26 to these consolidated annual financial statements.

Directors Interests
The interests of the Directors and Company Secretary (held directly and indirectly), who held office at the date of approval of the financial statements, in the share capital of the Company are as follows:

Ordinary Shares (held directly and indirectly)

	12/06/18	**31/12/17**	**31/12/16**
Directors & Secretary			
Christian Schaffalitzky	2,119,842	2,119,842	2,119,842
Noel O'Keeffe	3,591,447	3,591,447	2,291,447
Louis Coetzee	8,065,996	8,065,996	6,765,996
Lukas Maree	2,934,200	2,934,200	2,934,200
Wenzel Kerremans	376,241	376,241	376,241
Andreas Lianos	7,588,633	7,588,633	6,288,633

Share Options (held directly and indirectly)

	12/06/18	31/12/17	31/12/16
Directors & Secretary			
Christian Schaffalitzky	-	700,000	700,000
Louis Coetzee	-	2,200,000	2,200,000
Noel O'Keeffe	-	2,000,000	2,000,000
Lukas Maree	-	700,000	700,000
Wenzel Kerremans	-	700 000	700,000
Andreas Lianos	-	2,000,000	2,000,000

The above share options in issue were exercisable at a price of £0.050 at any time up to 1 June 2018.

For further detail surrounding the ordinary shares and share options in issue, refer to Notes 15 and 17 of the annual financial statements.

Transactions Involving Directors
There have been no contracts or arrangements of significance during the period in which Directors of the Company, or their related parties, were interested other than as disclosed in Note 24 to the annual financial statements.

Directors meetings
The Company held 14 (fourteen) Board meetings during the reporting period and the number of meetings attended by each of the Directors of the Company during the year to 31 December 2017 were:

Director Name	Position	Number of Meetings Attended	Number of Meetings Eligible to Attend
Christian Schaffalitzky	Chairman	13	14
Louis Coetzee	Chief Executive Officer	14	14
Andreas Lianos	Non-Executive Financial Director	14	14
Noel O'Keeffe	Non-Executive Technical Director	14	14
Lukas Maree	Executive Director	13	14
Wenzel Kerremans	Non-Executive Director	14	14

In terms of the Company's Memorandum & Articles of Association, one third of Directors are required to retire by rotation from the Board on an annual basis, through resignation at the Annual General Meeting.

Committee meetings
The Company held 2 (two) Audit Committee meetings during the reporting period and the number of meetings attended by each of the members during the year to 31 December 2017 were:

Director Name	Position	Number of Meetings Attended	Number of Meetings Eligible to Attend
Christian Schaffalitzky	Chairman (Non-Executive)	2	2
Wenzel Kerremans	Non-Executive Director	2	2
Lukas Maree	Executive Director	2	2

The Company held 1 (one) Remuneration Committee meeting during the reporting period and the number of meetings attended by each of the members during the year to 31 December 2017 were:

Director Name	Position	Number of Meetings Attended	Number of Meetings Eligible to Attend
Christian Schaffalitzky	Chairman (Non-Executive)	1	1
Wenzel Kerremans	Non-Executive Director	1	1
Lukas Maree	Executive Director	1	1

The Company held 1 (one) Governance Committee meeting during the reporting period and the number of meetings attended by each of the members during the year to 31 December 2017 were:

Director Name	Position	Number of Meetings Attended	Number of Meetings Eligible to Attend
Christian Schaffalitzky	Chairman (Non-Executive)	1	1
Wenzel Kerremans	Non-Executive Director	1	1
Lukas Maree	Executive Director	1	1

Significant Shareholdings
The Company has been informed that, in addition to the interests of the Directors, at 31 December 2017 and at the date of this report, the following shareholders own 3% or more beneficial interest, either direct or indirect, of the issued share capital of the Company, which is considered significant for disclosure purposes in the annual financial statements:

Percentage of issued share capital

	12/06/18	31/12/2017	31/12/16
Sanderson Capital Partners Ltd	5.28%	4.15%	*
Sechaba Natural Resources Limited	25.47%	-	-

** Beneficial interest was below 3%, and thus considered not to be a significant shareholder under the AIM Rules for companies.*

Subsidiary Undertakings
Details of the Company's subsidiary undertakings are set out in Note 23 to the annual financial statements.

Political Donations
During the period, the Group made no charitable or political contributions (2016: £ nil).

Going Concern
The Company and Group's ability to continue as a going concern is dependent on the sourcing of additional funding by the Directors for the foreseeable future. The future of the Company and the Group is dependent on the successful future outcome of its short and medium term ability to raise new equity funding and the successful development of its exploration interests and of the availability of further funding to bring these interests to production. The Directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. Consequently, they consider that it is appropriate to prepare the financial statements on the going concern basis.

The capital-raising subsequent to appointing the new Joint Brokers during March and April 2018 has provided further cash resources in order to ensure prospecting activities are continued as planned without interruption. The prospective conclusion of the Power Purchase Agreement with the Tanzania Electric Supply Company will provide the Group with access to a currently under-served market. This project is considered our flag-ship project and will place the Group in a favourable position to request additional funding from financers whom have supported the Group historically due to the potential for return on their investments.

The directors are also following an active approach to continuously reduce administrative costs in order to alleviate the pressure on cash flow. Furthermore, while the conclusion of the Power Purchase Agreement with the Tanzania Electric Supply Company is being finalised, the Group continues to minimize exploration activities in order to prioritise the MCPP.

The Directors have reviewed budgets, projected cash flows and other relevant information, and on the basis of this review, are confident that the Company and the Group will have adequate financial resources to continue in operational existence for the foreseeable future.

Environmental responsibility
The Company recognises that its activities require it to have regard to the potential impact that it, its subsidiaries and partners may have on the environment. Where exploration and development works are carried out, care is taken to limit the amount of disturbance and where any remediation works are required they are carried out as and when required.

Dividends
There have been no dividends declared or paid during the current financial period (2016: £ nil).

Corporate Governance Policy
The Board is aware of the importance to conform to its statutory responsibilities and industry good practice in relation to corporate governance of the Group.

The Board is accountable to the shareholders for delivery of sustained value growth. In order to support its duties and responsibilities the Board implements control procedures that assess and manage risk and ensure robust financial and operational management within the Company. The principal risks that the Company is exposed to can be classified under the general headings of exploration risk, commodity risk, price risk, currency risk and political risk.

The Board also sets the Company's core values and ethical standards of business conduct ensuring these are effectively communicated to all staff and are monitored continuously by the Board.

The Board sets the Company's strategy and monitors its implementation through management and financial performance reviews. It also works to ensure that adequate resources are available to implement strategy in a timely manner.

The Company subscribes to the values of good corporate governance at all levels and is committed to conduct business with discipline, integrity and social responsibility. The Board of Directors is firmly committed to promoting Kibo Mining Plc's adherence to the principles contained in the King Code on Corporate Governance (the Code). The Code is constantly being reviewed and the Directors are implementing the Code in a phased manner. The Directors are committed to the implementation of the principles and non-compliance is limited to the matter listed in this report.

Role of Directors
All Board members ensure that appropriate governance procedures are adhered to and there is a clear division of responsibilities at Board level to ensure a balance of power and authority so that no one individual has unfettered powers of decision making.

The role of Chairman and Chief Executive Officer are not held by the same Director. The Chairman is a non-executive Director.

Board and Audit Committee meetings have been taking place periodically and the executive Directors manage the daily Company operations with the Board meetings taking place on a regular basis throughout the financial period. During the current reporting period the Board met 14 (fourteen) times and provided pertinent information to the Executive Committee of the Company.

The Board is responsible for effective control over the affairs of the Company, including: strategic and policy decision-making financial control, risk management, communication with stakeholders, internal controls and the asset management process. Although there was no specific committee tasked with identifying, analysing and reporting on risk during the financial period, this was nevertheless part of the everyday function of the Directors and was managed at Board level.

Directors are entitled, in consultation with the Chairman, to seek independent professional advice about the affairs of the Company, at the Company's expense.

Audit Committee
The members of the audit committee are Christian Schaffalitzky, Lukas Maree and Wenzel Kerremans.

The audit committee has set out its roles and responsibilities within its charter and ensured that it is aligned to good financial governance principles.

These include:

- the establishment of an Audit Committee to guide the audit approach, as well as its modus operandi and the rules that govern the audit relationship;
- assess the processes relating to and the results emanating from the Group's risk and control environment;
- monitoring the integrity of the group's integrated reporting and all factors and risks that may impact on reporting;
- annually reviewing the expertise, appropriateness and experience of the finance function;
- annually nominating the external auditors for appointment by the shareholders;
- reviewing developments in governance and best practice;
- foster and improve open communication and contact with relevant stakeholders of the Group; and
- assessing the external auditor's independence and determining their remuneration.

The audit committee further sets the principles for recommending the external auditors for non-audit services use.

The audit committee has satisfied itself of the suitability of the chief financial officer, and that the chief financial officer holds the necessary expertise and has the relevant experience.

The committee met twice during the current year.

Remuneration Committee
The members of the remuneration committee are Christian Schaffalitzky, Wenzel Kerremans and Lukas Maree.

The purpose of the remuneration committee is to discharge the responsibilities of the board relating to all compensation, including equity compensation of the Company's executives. The remuneration committee establishes and administers the Company's executive remuneration with the broad objective of aligning executive remuneration with Company performance and shareholder interests, setting remuneration standards aimed at attracting, retaining and motivating the executive team, linking individual pay with operational and Company performance in relation to strategic objectives; and evaluating compensation of executives including approval of salary, equity and incentive-based awards.

The committee is empowered by the Board to set short, medium and long-term remuneration for the executive Directors. More generally, the committee is responsible for the assessment and approval of a Board remuneration strategy for the Group.

The committee met once during the current year.

Governance Committee
The members of the governance committee are Christian Schaffalitzky, Lukas Maree and Wenzel Kerremans.

The Governance Committee has set out its roles and responsibilities within its charter and ensured that it is aligned to good financial governance principles.

These include:

- monitoring the compliance of the Group with legal requirements and the Group's Code of Ethics; and
- monitoring the integrity of the group's integrated reporting and all factors and risks that may impact on reporting.

The committee met once during the current year.

Internal Audit
The Company does not have an internal audit function. Currently the operations of the Group do not warrant an internal audit function, however the Board is assessing the need to establish an internal audit department considering future prospects as the Group's operations increase. During the period the Board has taken responsibility to ensure effective governance, risk management and that the internal control environment is maintained.

Health, Safety and Environmental Policy
The Group is committed to high standards of Health, Safety and Environmental performance across our business. Our goal is to protect people, minimize harm to the environment, integrate biodiversity considerations and reduce disruption to our neighbouring communities. We seek to achieve continuous improvement in our Health, Safety and Environmental performance.

Corporate Social Responsibility Policy (CSR)
The Group's policy is to conduct all our business operations to best industry standards and to behave in a socially responsible manner. Our goal is to behave ethically and with integrity and to respect cultural, national and religious diversity.

Governance of IT
The Board is responsible for IT governance as an integral part of the Group's governance as a whole. The IT function is not expected to significantly change in the foreseeable future. The Board has the required policies and procedures in place to ensure governance of IT is adhered to.

Integrated and Sustainability Reporting
Integrated Reporting is defined as a "holistic and integrated representation of the Group's performance in terms of both its finances and its sustainability". The Group currently does not have a separate integrated report. The Board and its sub-committees are in the process of assessing the principles and practices of integrated reporting and sustainability reporting to ensure that adequate information about the operations of the Group, the sustainability issues pertinent to its business, the financial results and the results of its operations and cash flows are disclosed in a single report.

Statement of Directors Responsibility
The Directors are responsible for preparing the Group and Company financial statements in accordance with applicable Laws and Regulations.

Irish Company law requires the Directors to prepare Group and parent Company financial statements for each financial period. As permitted by Company law, the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU IFRS) and have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU IFRS), as applied in accordance with the provisions of the Companies Act 2014.

The Group and Company financial statements are required by law and EU IFRS to present fairly the financial position and performance of the Group. The Companies Act 2014 provide in relation to such financial statements that reference in the relevant parts of the Acts to financial statements giving a true and fair view are references to their achieving a fair presentation. In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors confirm they have complied with the above requirements in preparing these accounts.

Under applicable law the Directors are also responsible for preparing a Directors' Report and reports relating to Directors' remuneration and corporate governance that comply with that law and those rules.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that its financial statements are prepared in accordance with International Financial Reporting Standards, and comply with the Companies Act 2014, and European Communities (Companies: Group Accounts) Regulations 1992 and all regulations to be construed as one with those acts. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Corporate Governance
The Directors are committed to maintaining the highest standards of corporate governance commensurate with the size, stage of development and financial status of the Group.

The Board
The Board is responsible for the supervision and control of the Company and is accountable to the shareholders. The Board has reserved decision-making on a variety of matters, including determining strategy for the Group, reviewing and monitoring executive management performance and monitoring risks and controls.

The Board has 6 (six) Directors, comprising 2 (two) executive Directors and 4 (four) non-executive Directors. The Board met formally on 14 (fourteen) occasions during the year ended 31 December 2017. An agenda and supporting documentation was circulated in advance of each meeting. All the Directors bring independent judgement to bear on issues affecting the Group and all have full and timely access to information necessary to enable them to discharge their duties. The Directors have a wide and varying array of experiences in the industry.

Accounting records
The measures taken by the Directors to ensure compliance with the requirements in Sections 281 to 285 of the Companies Act 2014, regarding proper books of account, are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the Company are maintained at Kolonakiou, 37, Linopetra, P.C. 4103, Limmasol, Cyprus.

Compliance statement
The Directors acknowledge that they are responsible for securing the Company's compliance with the Company's ''relevant obligations'' within the meaning of section 225 of the Companies Act 2014 (described below as the ''Relevant Obligations'').

The Directors confirm that they have:

- drawn up a compliance policy statement setting out the Company's policies (that are, in the opinion of the directors, appropriate to the Company) in respect of the Company's compliance with its Relevant Obligations;
- put in place appropriate arrangements or structures that, in the opinion of the Directors, provide a reasonable assurance of compliance in all material respects with the Company's Relevant Obligations; and
- during the financial year to which this report relates, conducted a review of the arrangements of structures that the directors have put in place to ensure material compliance with the Company's Relevant Obligations.

On behalf of the Board

Christian Schaffalitzky	**Noel O'Keeffe**
Date: 12 June 2018	**Date: 12 June 2018**

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS

Opinion

We have audited the financial statements of Kibo Mining Plc for the year ended 31 December 2017 on pages 17 to 55 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of affairs of the Group and of the parent Company as at 31 December 2017 and their losses for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Irish Companies Act 2014.

This report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Emphasis of Matter

In forming our opinion on the financial statements, which is not modified, we considered the adequacy of disclosures made in Notes 11, 13 and 23 to the financial statements concerning the valuation of intangible assets, and investments in Group undertakings. The realisation of intangible assets of £17,596,105 (2016: £17,596,105), amounts due from Group undertakings of £24,402,788 (2016: £26,998,867) and investments in Group undertakings of £3,468,224 (2016: £1,700,000) included in the Company Statement of Financial Position are dependent on the economic exploitation of gold and coal reserves including the ability of the Group to raise sufficient finance to develop these projects.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the FRC's Ethical Standard as applied to SME listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Katoro transaction During the year, the Group disposed of certain subsidiaries involved in the Lake Victoria gold exploration project. The acquirer was Opera Investments Plc. The consideration for the purchase was new shares in Opera Investments Plc, which resulted in Kibo Mining Plc holding 57.1% of the post-transaction share capital of Opera Investments PLC. Opera Investments Plc subsequently changed its name to Katoro Gold Plc and remains listed on AIM. Due to the complexity of the transaction, its effect on the consolidated financial statements and the significant judgements involved in these calculations, ensuring the correct treatment of the Katoro transaction in the consolidated financial statements is a key audit matter.	Our audit procedures included the following: - Reviewing documentation to confirm the terms of the transaction are in line with those disclosed; - Considering the treatment and disclosure of the transaction in line with IFRS 3 and other applicable IFRS; - Reviewing the consolidation workings and performing recalculations where appropriate. Based on our procedures, we noted no material exceptions and considered management's treatment of the Katoro transaction to be appropriate.
Carrying value of intangible assets The carrying value of intangible assets included in the Group's balance sheet at 31 December 2017 was stated at £17.6m, relating to the Mbeya project. The Directors assess at each reporting period end whether there is any indication that an asset may be impaired and intangible assets with an indefinite life must be tested for impairment on an annual basis. The determination of recoverable amount, being the higher of value-in-use and fair value less costs to dispose, requires judgement on the part of management in both identifying and then valuing the relevant cash generating units ('CGUs'), especially for projects where the there is an uncertain timeframe. Any impairment in these CGUs could lead to subsequent impairments in the parent company investments in subsidiaries or intercompany loans to these subsidiaries. Due to the significance of the intangible assets to the consolidated financial statements, the significant judgements involved in these calculations and the potential impact to parent company investments and intercompany loans, the carrying value of intangible assets is a key audit matter.	Our audit procedures included the following: - Assessing the methodology used by the Directors to calculate recoverable amounts and evaluated if it complies with the requirements of IAS 36; - Assessing the viability of the Mbeya development asset by analysing future projected cash flows used in the value in use calculations for the CGU to determine whether the assumptions used in projecting the cash flows are reasonable and supportable given the current macroeconomic climate; - Performing sensitivity analysis on key assumptions and testing the mathematical accuracy of models; - Comparing foreign exchange rates used in management's calculations against third party sources; - Understanding the commercial prospects of the assets, and where possible comparison of assumptions with external data sources; - Reviewing correspondence and other sources for evidence of impairment; - Reviewing the recoverability of intercompany loans within the parent company and indicators of impairment in investments in subsidiaries; and

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS

	- Assessing the appropriateness and completeness of the related disclosures in Note 11, intangible assets, of the group financial statements. Based on our procedures, we noted no material exceptions and considered management's key assumptions to be within reasonable ranges.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. Our overall objective as auditor is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. We consider a misstatement to be material where it could be reasonably expected to influence the economic decisions of the users of the financial statements.

We have determined materiality of £100,000 (2016: £50,000) in both the Group and Company financial statements. This is based on 2% of gross assets.

An overview of the scope of our audit

We tailored the scope of our audit to ensure that we obtained sufficient evidence to support our opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls and the industry in which the Group operates.

As Group auditors we carried out the audit of the Company financial statements and, in accordance with ISA (Ireland) 600, obtained sufficient evidence regarding the audit of nine subsidiaries undertaken by component auditors in Tanzania, Cyprus and the United Kingdom. These nine subsidiaries were deemed to be significant to the Group financial statements either due to their size or their risk characteristics. The Group audit team directed and reviewed the work of the component auditors in Tanzania, Cyprus and the United Kingdom, which involved issuing detailed instructions, holding regular discussions with component audit teams and performing detailed file reviews. Audit work in significant components was performed at materiality levels of £35,000, lower than Group materiality.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2014 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Richard Collis (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Saffery Champness LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London EC4V 4BE
12 June 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

All figures are stated in Sterling		GROUP	
		31 December 2017	31 December 2016
		Audited	Audited
Continuing operations	**Note**	**£**	£
Revenue	2	**-**	**18,039**
Administrative expenses		**(1,871,697)**	**(1,653,152)**
Listing and Capital raising fees	17	**(908,543)**	**(1,648,004)**
Exploration expenditure		**(1,741,018)**	**(1,716,967)**
Operating loss		**(4,521,258)**	**(5,000,084)**
Investment and other income	3	**1,445**	**1,414,668**
Loss on ordinary activities before tax	4	**(4,519,813)**	**(3,585,416)**
Taxation	7	**-**	**-**
Loss for the period		**(4,519,813)**	**(3,585,416)**
Other comprehensive gain:			
Items that may be classified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**16,985**	**99,128**
Adjustment arising from change in non-controlling interest		**-**	**1,527,515**
Other Comprehensive gain for the period net of tax		**16,985**	**1,626,643**
Total comprehensive loss for the period		**(4,502,828)**	**(1,958,773)**
Loss for the period		**(4,519,813)**	**(3,585,416)**
Attributable to the owners of the parent		**(3,712,707)**	**(3,611,496)**
Attributable to the non-controlling interest		**(807,106)**	**26,080**
Total comprehensive loss for the period		**(4,502,828)**	**(1,986,288)**
Attributable to the owners of the parent		**(3,689,196)**	**(1,984,853)**
Attributable to the non-controlling interest		**(813,632)**	**26,080**
Loss Per Share			
Basic loss per share	9	**(0.010)**	**(0.010)**
Diluted loss per share	9	**(0.010)**	**(0.010)**

All activities derive from continuing operations. All profits and total comprehensive profit for the period are attributable to the owners of the Company.

The Group has no recognised gains or losses other than those dealt with in the Statement of Comprehensive Income.

The accompanying notes on pages 34 - 55 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 12 June 2018 and signed on its behalf by:

On behalf of the Board

Noel O'Keeffe

Christian Schaffalitzky **Noel O'Keeffe**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All figures are stated in Sterling

		GROUP	
		31 December 2017	31 December 2016
		Audited	Audited
	Note	**£**	£
Assets			
Non-Current Assets			
Property, plant and equipment	10	**7,650**	**9,107**
Intangible assets	11	**17,596,105**	**17,596,105**
Total non-current assets		**17,603,755**	**17,605,212**
Current Assets			
Trade and other receivables	13	**59,046**	**50,633**
Cash	14	**766,586**	**382,339**
Total current assets		**825,632**	**432,972**
Total Assets		**18,429,387**	**18,038,184**
Equity and Liabilities			
Equity			
Called up share capital	15	**14,015,670**	**13,603,965**
Share premium account	15	**28,469,750**	**27,318,262**
Control reserve	16	**2,097,442**	**-**
Share based payment reserve	17	**556,086**	**514,279**
Translation reserve	18	**(268,506)**	**(285,491)**
Retained deficit		**(26,534,653)**	**(23,625,367)**
Attributable to equity holders of the parent		**18,335,789**	**17,525,648**
Non-controlling interest	19	**(1,383,388)**	**(1,435)**
Total Equity		**16,952,401**	**17,524,213**
Liabilities			
Current Liabilities			
Trade and other payables	20	**266,218**	**146,380**
Borrowings	21	**1,210,768**	**251,928**
Provisions	22	**-**	**115,663**
Total Current Liabilities		**1,476,986**	**513,971**
Total Equity and Liabilities		**18,429,387**	**18,038,184**

The accompanying notes on pages 34 - 55 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 12 June 2018 and signed on its behalf by:

On behalf of the Board

Christian Schaffalitzky **Noel O'Keeffe**

COMPANY STATEMENT OF FINANCIAL POSITION

All figures are stated in Sterling		Company	
		31 December 2017	31 December 2016
		Audited	Audited
		£	£
Non-Current Assets			
Investments in group undertakings	23	**3,468,224**	**1,700,000**
Trade and other receivables	13	**24,402,788**	**26,998,867**
Total Non- current assets		**27,871,012**	**28,698,867**
Current Assets			
Trade and other receivables	13	**413**	**690**
Cash	14	**5,690**	**22,082**
Total Current assets		**6,103**	**22,772**
Total Assets		**27,877,115**	**28,721,639**
Equity and Liabilities			
Equity			
Called up share capital	15	**14,015,670**	**13,603,965**
Share premium	15	**28,469,750**	**27,318,262**
Share based payment reserve	17	**514,279**	**514,279**
Translation reserves	18	**14,723**	**47,430**
Retained deficit		**(16,434,811)**	**(13,164,891)**
Total Equity		**26,579,611**	**29,271,864**
Liabilities			
Current Liabilities			
Trade and other payables	20	**86,736**	**35,003**
Borrowings	21	**1,210,768**	**251,928**
Provisions	22	**-**	**115,663**
Total liabilities		**1,297,504**	**402,594**
Total Equity and Liabilities		**27,877,115**	**28,721,639**

The accompanying notes on pages 34 - 55 form integral part of these financial statements.

The financial statements were approved by the Board of Directors on 12 June 2018 and signed on its behalf by:

On behalf of the Board

Christian Schaffalitzky **Noel O'Keeffe**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share premium	Treasury shares	Share based payment reserve	Control reserve	Foreign currency translation reserve	Retained deficit	Non-controlling interest	Total equity
GROUP									
All figures are stated in Sterling	£	£	£	£		£	£	£	£
Balance as at 1 January 2016	**13,210,288**	**25,782,519**	**(44,464)**	**514,279**		**(384,619)**	**(21,541,386)**	**-**	**17,536,617**
Loss for the year	-	-	-	-	-	-	(3,611,496)	26,080	(3,585,416)
Adjustment arising from change in non-controlling interest	-	-	-	-	-	-	1,527,515	(27,515)	1,500,000
Other comprehensive income - exchange differences on translating foreign operations	-	-	-	-	-	99,128	-	-	99,128
Share options issued during the current period	-	-	-	-	-	-	-	-	-
Proceeds of share issue of share capital	393,677	1,335,876	-	-	-	-	-	-	1,729,553
Allotment of treasury shares	-	199,867	44,464	-	-	-	-	-	244,331
	393,677	1,535,743	44,464	-	-	99,128	(2,083,981)	(1,435)	(12,404)
Balance as at 31 December 2016	**13,603,965**	**27,318,262**	-	**514,279**	**-**	**(285,491)**	**(23,625,367)**	**(1,435)**	**17,524,213**
Loss for the year	-	-	-	-	-	-	(3,712,707)	(807,106)	(4,519,813)
Adjustment arising from acquisition of subsidiary	-	-	-	-	2,097,442	(302,117)	803,421	(568,321)	2,030,425
Other comprehensive income - exchange differences on translating foreign operations	-	-	-	-	-	319,102	-	(6,526)	312,576
Share options issued during the current period	-	-	-	41,807	-	-	-	-	41,807
Proceeds of share issue of share capital	411,705	1,151,488	-	-	-	-	-	-	1,563,193
Allotment of treasury shares									
	411,705	1,151,488	-	41,807	2,097,442	16,985	(2,909,286)	(1,381,953)	(571,812)
	14,015,670	**28,469,750**	-	**556,086**	**2,097,442**	**(268,506)**	**(26,534,653)**	**(1,383,388)**	**16,952,401**
	15	15	15	17		18		19	

The notes on pages 34 - 55 form part of the financial statements.

The financial statements were approved by the Board of Directors on 12 June 2018 and signed on its behalf by

On behalf of the Board

Christian Schaffalitzky **Noel O'Keeffe**

COMPANY STATEMENT OF CHANGES IN EQUITY

COMPANY	Share capital	Share premium	Treasury shares	Share based payment reserve	Foreign currency translation reserve	Retained deficit	Total equity
All figures are stated in Sterling	£	£	£	£	£	£	£
Balance at 1 January 2016	**13,210,288**	**25,782,519**	**(44,464)**	**514,279**	**52,499**	**(10,243,257)**	**29,271,864**
Loss for the year	-	-	-	-	-	(2,921,634)	(2,921,634)
Other comprehensive loss - exchange differences on translating foreign operations	-	-	-	-	(5,069)	-	(5,069)
Share options and warrants expired or cancelled during the period	-	-	-	-	-	-	-
Share options issued during the current period	-	-	-	-	-	-	-
Proceeds of issue of share capital	393,677	1,335,876	-	-	-	-	1,729,553
Allotment of treasury shares	-	199,867	44,464	-	-	-	244,331
	393,677	1,535,743	44,464	-	(5,069)	(2,921,634)	(952,819)
Balance at 31 December 2016	**13,603,965**	**27,318,262**	**-**	**514,279**	**47,430**	**(13,164,891)**	**28,319,045**
Loss for the year	-	-	-	-	-	(3,269,920)	(3,269,920)
Other comprehensive loss - exchange differences on translating foreign operations	-	-	-	-	(32,707)	-	(32,707)
Share options and warrants expired or cancelled during the period	-	-	-	-	-	-	-
Share options issued during the current period	-	-	-	-	-	-	-
Proceeds of issue of share capital	411,705	1,151,488	-	-	-	-	1,563,193
Allotment of treasury shares							
	411,705	1,151,488	-	-	(32,707)	(3,269,920)	(1,739,434)
Balance at 31 December 2017	**14,015,670**	**28,469,750**	**-**	**514,279**	**14,723**	**(16,434,811)**	**26,579,611**
Note	15	15	15	17	18		

The accompanying notes on pages 34 - 55 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 12 June 2018 and signed on its behalf by

On behalf of the Board

Christian Schaffalitzky

Noel O'Keeffe

CONSOLIDATED STATEMENT OF CASH FLOWS

All figures are stated in Sterling

		GROUP	
		31 December 2017	31 December 2016
		Audited	Audited
	Notes	**£**	£
Cash flows from operating activities			
Loss for the period before taxation		**(4,519,813)**	**(3,585,416)**
Adjustments for:			
Foreign exchange gain		**249,437**	**124,884**
Depreciation on property, plant and equipment	10	**2,738**	**8,228**
Investment income	3	**-**	**(1,815)**
Share based remuneration to directors	6	**260,000**	**-**
Deal cost settled in shares		**155,539**	**-**
Movement in provisions	22	**(115,663)**	**115,663**
Liabilities settled in shares	17	**-**	**1,648,004**
Deemed cost of listing		**206,680**	**-**
		(3,761,082)	**(1,690,452)**
Movement in working capital			
(Increase)/Decrease in debtors	13	**(8,413)**	**500,059**
Increase/(Decrease) in creditors	20	**119,838**	**(160,417)**
		111,425	**339,642**
Net cash outflows from operating activities		**(3,649,657)**	**(1,350,810)**
Cash flows from financing activities			
Proceeds of issue of share capital	15	**1,818,345**	**-**
Repayment of borrowings		**-**	**(200,000)**
Proceeds from borrowings		**1,751,326**	**1,751,928**
Investment income	3	**-**	**1,815**
Net cash proceeds from financing activities		**3,569,671**	**1,553,743**
Cash flows from investing activities			
Net cash flow from acquisition of subsidiaries	12	**465,408**	**(1,000)**
Purchase of property, plant and equipment		**(1,175)**	**(9,029)**
Net cash flows investing activities		**464,233**	**(10,029)**
Net increase in cash		**384,247**	**192,904**
Cash at beginning of period		**382,339**	**189,435**
Cash at end of the period	14	**766,586**	**382,339**

The accompanying notes on pages 34 - 55 form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

All figures are stated in Sterling

		COMPANY	
		31 December 2017	31 December 2016
		Audited	Audited
	Notes	**£**	£
Cash flows from operating activities			
Loss for the period before taxation		**(3,269,920)**	**(2,921,634)**
Adjusted for:			
Liabilities settled in shares	17	**-**	**1,648,004**
Share based remuneration to directors		**195,000**	**-**
Impairment of investment in subsidiary		**1,891,777**	
Movement in provisions	22	**(115,663)**	**115,663**
Foreign exchange gain		**-**	**20,789**
		(1,298,806)	**(1,137,178)**
Movement in working capital			
Decrease in debtors	13	**277**	**522,414**
Increase /(decrease)in creditors	20	**51,733**	**(131,867)**
		52,010	**390,547**
Net cash outflows from operating activities		**(1,246,796)**	**(746,631)**
Cash flows from financing activities			
Proceeds of issue of share capital	15	**500,000**	**-**
Repayment of borrowings		**-**	**(200,000)**
Proceeds from borrowings		**1,748,840**	**1,751,928**
Net cash proceeds from financing activities		**2,248,840**	**1,551,928**
Cash flows from investing activities			
Cash advances to Group Companies	13	**(1,018,436)**	**(786,598)**
Net cash used in investing activities		**(1,018,436)**	**(786,598)**
Net (decrease)/increase in cash		**(16,392)**	**18,699**
Cash at beginning of period		**22,082**	**3,383**
Cash at end of the period	14	**5,690**	**22,082**

The accompanying notes on pages 34 - 55 form an integral part of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information
Kibo Mining Plc ("the Company") is a Company incorporated in Ireland. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The principal activities of the Company and its subsidiaries are related to the exploration for and development of coal and other minerals in Tanzania. The figures in the financial statements are presented in Sterling unless otherwise stated.

Statement of Compliance
As permitted by the European Union, the Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU (IFRS). The individual financial statements of the Company ("Company financial statements") have been prepared in accordance with the Companies Act 2014 which permits a Company that publishes its Company and Group financial statements together, to take advantage of the exemption in Section 293 of the Companies Act 2014, from presenting to its members its Company Income Statement and related notes that form part of the approved Company financial statements.

The IFRS adopted by the EU as applied by the Company and the Group in the preparation of these financial statements are those that were effective at 31 December 2017.

Statement of Accounting Policies
The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Basis of Preparation
The Group and Company financial statements are prepared on the historical cost basis, except for the measurement of certain financial instruments which is measured at fair value. The accounting policies have been applied consistently by Group entities, except for the adoption of new standards and interpretations which became effective in the current year. The Group and Company financial statements have been prepared on a going concern basis as explained on page 8.

Use of Estimates and Judgements
The preparation of financial statements 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:

- Exploration and evaluation expenditure;
- Recoverability of group loans in the parent Company;
- Fair value determination;
- Residual values and useful lives of property, plant and equipment; and
- Taxation.

Exploration and evaluation expenditure
The Group's accounting policy for exploration and evaluation expenditure results in the capitalisation of certain intangible mineral resources which are identified through business combinations or equivalent acquisitions. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established based on the separately identified mineral resources. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the intangible mineral resources under the policy, a judgement is made that recovery of the intangible asset is unlikely, the relevant capitalised amount will be written off to the income statement.

Recoverability of group loans in the parent Company
The realisation of amounts due from Group undertakings is dependent on the discovery of economic reserves including the ability of the Group to raise sufficient finance to develop the projects in order to settle the group loan balance receivable.

Fair value determination
The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i) Property, plant and equipment
The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available, and replacement cost when appropriate.

ii) Trade and other receivables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

iii) Share-based payment transactions
The fair value of employee share options is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility, adjusted for changes expected due to publicly available information), weighted average expected life of the instrument (based on the rules of the share incentive scheme), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

Residual values and useful lives of property, plant and equipment
The useful economic lives, depreciation method and residual values of items of property, plant and equipment and tangible assets are estimated annually. The actual lives, depreciation method and residual values may vary depending on a variety of factors and circumstances.

Taxation
Assessing the recoverability of deferred income tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Revenue Recognition
Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax. Interest is recognised, in profit or loss, using the effective interest rate method.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Consolidation
The consolidated financial statements comprise the financial statements of Kibo Mining Plc and its subsidiaries for the year ended 31 December 2017, over which the Company has control.

Control is achieved when the Company:
- has the power over the investee;
- is exposed, or has rights, to variance return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstance indicate that there are changes to one or more of the three elements of control listed above.

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 statements, except to the extent they provide evidence of impairment.

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

Non-controlling interest arising from a business combination is measured either at their share of the fair value of the assets and liabilities of the acquiree or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations.

Changes in the Group’s interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Upon the loss of control, the Company derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any resulting gain or loss is recognised in profit or loss. If the Company retains any interest in the previous subsidiary, such interest is measured at fair value at the date that control is lost.

Any gain from the acquisition of a subsidiary or gain/loss from the disposal of subsidiary will be recognised through profit and loss in the current financial period.

Business combinations involving entities under common control
Business combinations involving entities under common control comprise business combinations where both entities remain under the ultimate control of the holding company before and after the combination, and that control is not transitory. The group applies merger accounting for all its common control transactions from the date that it obtains control. In terms of this:
- the assets and liabilities of the acquiree are recorded at their existing carrying amounts (not fair value);
- if necessary, adjustments are made to achieve uniform accounting policies;
- intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the acquiree in accordance with applicable IFRS;
- no goodwill is recognised. Any difference between the acquirer’s cost of investment and the acquiree’s equity is presented separately directly in equity as a common control reserve (CCR) on consolidation;

- any non-controlling interest is measured as a proportionate share of the carrying amounts of the related assets and liabilities (as adjusted to achieve uniform accounting policies); and
- any expenses of the combination are written off immediately in profit or loss, except for the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are recognised within equity.

When control is lost, resulting in the common control of entities, the balance of CCR recognised in respect of that acquisition is realised directly to retained earnings on the effective date when control is lost.

Goodwill
Goodwill arising from the acquisition of a subsidiary represents the excess of the cost of the acquisition over the Group's interest in the net of fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition.

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment on an annual basis.

Intangible Assets
An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets but they are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, and it is subsequently carried at cost less accumulated impairment losses. Intangible assets comprise the acquisition of rights to explore in relation to the Group's exploration and evaluation activities. Intangible assets comprise fair value allocated to exploration projects purchased through business combination for which no useful life has been accurately determined.

Irrespective of whether there is any indication of impairment, the Group also tests intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

Exploration & Evaluation Assets
Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation activity includes:
- researching and analysing historical exploration data;
- gathering exploration data through topographical, geochemical and geophysical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements; and
- conducting market and finance studies.

Exploration and evaluation expenditure is charged to the income statement as incurred except in the following circumstances, in which case the expenditure may be capitalised:

- In respect of minerals activities:
  - the exploration and evaluation activity is within an area of interest which was previously acquired as an asset acquisition or in a business combination and measured at fair value on acquisition; or
  - the existence of a commercially viable mineral deposit has been established.

Capitalised exploration and evaluation expenditure considered to be tangible is recorded as a component of property, plant and equipment at cost less impairment charges. Otherwise, it is recorded as an intangible.

Intangible assets all relate to exploration and evaluation expenditure which are carried at cost with an indefinite useful life and therefore are reviewed for impairment annually and when there are indicators of impairment. Where a potential impairment is indicated, assessment is performed for each area of interest in conjunction with the group of operating assets (representing a cash generating unit) to which the exploration is attributed. Exploration areas at which reserves have been discovered but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is under way or planned.

Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows for that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the profit or loss.

Non-financial assets

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 its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income immediately.

Property, Plant and Equipment

Property, Plant and Equipment is stated at cost, less accumulated depreciation.

Cost includes expenditure that is directly attributable to the acquisition of the items of property, plant and equipment. The cost of self-constructed items of property, plant and equipment includes the cost of materials and direct labour, any other costs directly attributable to bringing the items of property, plant and equipment to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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;
- Plant & machinery at 20% straight line;
- Furniture & fixtures at 12.5% straight line;
- Motor vehicles at 25% straight line; and
- I.T. Equipment at 20% straight line

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Useful lives are affected by technology innovations, maintenance programmes and future economic benefits. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

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.

Employee benefits
Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Pre-paid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are made more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Short-term benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonuses or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Foreign Currencies
Functional and presentation currency
Items included in the financial statements 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 statements are 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 Statement 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 Statement of Financial Position presented are presented at the closing rate at the date of that Statement of Financial Position. Non-monetary items are measured at the exchange rate in effect at the historical transaction date and are not translated at each Statement of Financial Position 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.

Lease payments
Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Finance income and expense
Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the group’s right to receive payment is established, which in the case of listed securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets and losses on forward exchange contracts that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a nett basis.

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

Non-derivative financial assets

The group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the transaction date at which the group becomes a party to the contractual provisions of the instrument.

The group derecognises a financial asset when the contractual right to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that are created or retained by the group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the group has a legal right to offset the amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The group classifies non-derivative financial assets into the following categories: financial assets at fair value, financial assets at amortised cost, or loans and receivables.

Financial assets at amortised cost

A financial asset is classified at amortised cost if the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise, on specific dates, to cash flows that are solely payments of principal and interest on principal amount outstanding. Financial assets at amortised cost are initially measured at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Cash

Cash in the Statement of Financial Position comprise cash at bank 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.

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.

Non-derivative financial liabilities

The group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the transaction date at which the group becomes a party to the contractual provisions of the instrument.

The group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

The group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables.

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 based payments
For such grants of share options qualifying as equity-settled share based payments, 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.

Share capital
Incremental costs directly attributable to the issue of ordinary shares and share options are recognised directly in equity.

Segment reporting
The group determines and presents operating segments based on the information that is internally provided to the Chief Executive Officer, who is the chief operating decision maker. A segment is a distinguishable component of the group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of the other segments. The group's primary format for segment reporting is based on business segments. The business segments are determined based on the reporting business units.

Treasury shares
The Company's own equity instruments that are reacquired are recognised at cost and deducted from equity. No gain or loss is recognised in the Income Statement on the purchase, sale, issue or cancellation of the Company's own equity instruments. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them.

NEW STANDARDS AND INTERPRETATIONS

Adoption of new and revised standards
During the financial year, the Group has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations that became effective for the first time.

Standard	Effective date, annual period beginning on or after
Amendments to IAS 7 – *Disclosure Initiative*	1 January 2017
Amendments to IAS 12 – *Recognition of Deferred Tax for Unrealised Losses*	1 January 2017

Their adoption has not had any material impact on the disclosures or amounts reported in the financial statements.

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
IFRS 9 *Financial instruments*	1 January 2018
IFRS 15 *Revenue from contracts with Customers* including amendments to IFRS 15: *Effective date of IFRS 15*.	1 January 2018
Clarifications to IFRS 15 -*Revenue from contracts with Customers*	1 January 2018
IFRS 2 (amendments) - *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
IFRIC Interpretation 22 - *Foreign Currency Transactions and Advance Consideration*	1 January 2018
IFRS 16 *Leases*	1 January 2019
IFRIC 23 – *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to IAS 28 – *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Annual improvements 2015-2017 cycle	1 January 2019

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group, as the Group is primarily focused on exploration and development with no trading activities.

1. Segment analysis

IFRS 8 requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specific criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the Chief Operating decision maker. The Chief Executive Officer is the Chief Operating decision maker of the Group.

Management currently identifies two divisions as operating segments – mining and corporate. These operating segments are monitored and strategic decisions are made based upon them together with other non-financial data collated from exploration activities. Principal activities for these operating segments are as follows:

2017 Group	**Mining and Exploration Group**	**Corporate Group**	**31 December 2017 (£) Group**
Revenue	-	-	-
Administrative cost	-	(1,871,697)	(1,871,697)
Capital raising fees	-	(908,543)	(908,543)
Exploration expenditure	(1,741,018)	-	(1,741,018)
Investment and other income	1,445	-	1,445
Tax	-	-	-
Loss after tax	(1,739,573)	(2,780,240)	(4,519,813)

2016 Group	**Mining and Exploration Group**	**Corporate Group**	**31 December 2016 (£) Group**
Revenue	18,039	-	18,039
Administrative cost	-	(1,653,152)	(1,653,152)
Capital raising fees		(1,648,004)	(1,648,004)
Exploration expenditure	(1,716,967)	-	(1,716,967)
Investment and other income	1,414,668	-	1,414,668
Tax	-	-	-
Profit/ (Loss) after tax	(284,260)	(3,301,156)	(3,585,416)

2017 Group	**Mining Group**	**Corporate Group**	**31 December 2017 (£) Group**
Assets			
Segment assets	18,423,284	6,103	18,429,387
Liabilities			
Segment liabilities	264,562	1,297,504	1,562,066
Other Significant items			
Depreciation	2,738	-	2,738

2016 Group	Mining Group	Corporate Group	31 December 2016 (£) Group
Assets			
Segment assets	18,015,412	22,772	18,038,184
Liabilities			
Segment liabilities	111,376	402,595	513,971
Other Significant items			
Depreciation	8,228	-	8,228

Revenue from major products and services

The only income that the Group received during the period related to revenue from management fees earned in Tanzania and bank interest, which has been allocated to the Mining & Exploration Group as defined in Note 1.

Geographical segments

The Group operates in six principal geographical areas – Corporate [Ireland, Cyprus, South Africa, Canada & United Kingdom] and Mining [Tanzania].

	Tanzania Group	Ireland, United Kingdom, South Africa, Cyprus and Canada Group	31 December 2017 (£) Group
Major Operational indicators			
Carrying value of segmented assets	18,423,284	6,103	18,429,387
Loss after tax	(1,626,824)	(2,892,989)	(4,519,813)

	Tanzania Group	Ireland, United Kingdom, South Africa, Cyprus and Canada Group	31 December 2016 (£)
Major Operational indicators			
Carrying value of segmented assets	17,605,212	432,972	18,038,184
Loss after tax	(393,624)	(3,191,522)	(3,585,146)

2. Revenue

	31 December 2017 (£)	31 December 2016 (£)
Management fees from exploration services	-	18,039
	-	**18,039**

Management fee revenue relates to services provided to exploration and prospecting companies situated in Tanzania.

3. Investment and other Income

	31 December 2017 (£)	31 December 2016 (£)
Refund of exploration expenditure	-	1,332,306
Profit on foreign exchange	463	80,547
Other income	982	1,815
	1,445	**1,414,668**

In 2016, the Group recovered £1,332,306 (US$1.8 million) relating to previously incurred exploration expenditure specific to the Mbeya Coal project from SEPCO III. During the previous financial period the Group concluded a revised agreement with SEPCO III allowing the China based EPC contractor to become the sole bidder for the ECP Contract subject to refunding the Group 50% of the total development cost incurred on the Mbeya Coal project, of which US$1.8 million was paid in 2016. The remaining balance of US$3.67 million is payable on conclusion of Financial Close of the project, against which a loan of US$2.9 million from Sanderson has been secured.

4. Profit on ordinary activities before taxation

Operating loss is stated after the following key transactions:	**31 December 2017 (£) Group**	**31 December 2016 (£) Group**
Depreciation of property, plant and equipment of Group financial statements	2,738	8,228
Auditors' remuneration for audit of Group and Company financial statements	35,000	35,000
Auditors' remuneration for audit of Sloane Developments Limited	2,500	2,500
Auditors' remuneration for non-audit services:		
Taxation advisory services	1,750	1,750
Other non-audit services	2,000	2,000

5. Staff costs (including Directors)

	Group 31 December 2017 (£)	**Group 31 December 2016 (£)**	**Company 31 December 2017 (£)**	**Company 31 December 2016 (£)**
Wages and salaries	876,628	709,714	502,677	472,315
Share based remuneration	260,000	-	260,000	-
	1,136,628	**709,714**	**762,677**	**472,315**

The average monthly number of employees (including executive Directors) during the period was as follows:

	Group 31 December 2017 (£)	**Group 31 December 2016 (£)**	**Company 31 December 2017 (£)**	**Company 31 December 2016 (£)**
Exploration activities	10	10	1	1
Administration	6	6	1	1
	16	**16**	**2**	**2**

6. Directors' emoluments

	Group 31 December 2017 (£)	**Group 31 December 2016 (£)**	**Company 31 December 2017 (£)**	**Company 31 December 2016 (£)**
Basic salary and fees	464,210	457,483	338,578	335,695
Share based payments	195,000	-	195,000	-
	659,210	**457,483**	**533,578**	**335,695**

The emoluments of the Chairman were £13,135 (2016: £13,011).
The emoluments of the highest paid director were £260,210 (2016: £193,610).
Directors received shares to the value of £195,000 during the year (2016: £nil).

Key management personnel consist only of the Directors. Details of share options and interests in the Company's shares of each director are shown in the Directors' report on page 7. The following table summarises the remuneration applicable to each of the individuals who held office as a director during the reporting period:

31 December 2017	**Salary and fees**	**Share based payments**	**Total**
	£	**£**	**£**
Christian Schaffalitzky	13,135	-	13,135
Louis Coetzee	195,210	65,000	260,210
Noel O'Keeffe	125,632	65,000	190,632
Lukas Maree	13,772	-	13,772
Wenzel Kerremans	13,115	-	13,115
Andreas Lianos	103,346	65,000	168,346
Total	**464,210**	**195,000**	**659,210**

31 December 2016	**Salary and fees**	**Share based payments**	**Total**
	£	**£**	**£**
Christian Schaffalitzky	13,011	-	13,011
Louis Coetzee	193,610	-	193,610
Noel O'Keeffe	121,787	-	121,787
Lukas Maree	13,011	-	13,011
Wenzel Kerremans	13,011	-	13,011
Andreas Lianos	103,051	-	103,051
Total	**457,483**	**-**	**457,483**

£195,000 convertible loan notes were issued to directors of the Company who are also members of its executive committee on 27 September 2017. The loan notes issued were in lieu of bonus shares due as part of an interim award approved by the Kibo board on 24 April 2017. On 28 September 2017, these directors elected to convert their loan notes into Kibo shares. These resultant number of shares issued amount to 3,900,000 ordinary shares at an issue price of £0.05 per share, calculated in accordance with the Note Term Sheet.

The movement in the salary and fees from 2016 to 2017 is as a result of exchange fluctuations emanating from payments made in EURO, converted to GBP for disclosure purposes in the Group's presentational currency.

7. Taxation

Current tax

	31 December 2017 (£)	**31 December 2016 (£)**
Charge for the period in Ireland, Canada, Republic of South Africa, Cyprus, United Kingdom and Republic of Tanzania	-	-
Total tax charge	-	-

The difference between the total current tax shown above and the amount calculated by applying the standard rate of Irish corporation tax of 12.5% to the loss before tax is as follows:

	2017 (£)	**2016 (£)**
Loss on ordinary activities before tax	**(4,519,813)**	**(3,585,416)**

Income tax expense calculated at 12.5% (2016: 12.5%)	(564,977)	(448,177)
Income which is not taxable	-	-
Expenses which are not deductible	97,199	209,235
Losses available for carry forward	467,778	238,942
Income tax expense recognised in the Statement of Comprehensive Income	-	-

The effective tax rate used for the December 2017 and December 2016 reconciliations above is the corporate rate of 12.5% payable by corporate entities in Ireland on taxable profits under tax law in that jurisdiction.

No provision has been made for the 2017 deferred taxation as no taxable income has been received to date, and the probability of future taxable income is indicative of current market conditions which remain uncertain. At the Statement of Financial Position date, the Directors estimate that the Group has unused tax losses of £21,876,379 (2016: £18,074,432) available for potential offset against future profits which equates to an estimated potential deferred tax asset of £2,734,547 (2016: £2,529,338). No deferred tax asset has been recognised due to the unpredictability of the future profit streams. Losses may be carried forward indefinitely in accordance with the applicable taxation regulations ruling within each of the above jurisdictions.

8. Loss of parent Company

As permitted by Section 293 of the Companies Act 2014, the statement of comprehensive income of the parent Company has not been separately disclosed in these financial statements. The parent Company's loss for the financial period was £3,269,920 (2016: £2,921,634).

9. Loss per share

Basic loss per share
The basic loss and weighted average number of ordinary shares used for calculation purposes comprise the following:

Basic Loss per share	**31 December 2017 (£)**	**31 December 2016 (£)**
Loss for the period attributable to equity holders of the parent	(3,712,707)	(3,611,496)
Weighted average number of ordinary shares for the purposes of basic loss per share	372,255,127	351,080,645
Basic loss per ordinary share	**(0.010)**	**(0.010)**

Basic Dilutive Loss per share	**31 December 2017 (£)**	**31 December 2016 (£)**
Loss for the period attributable to equity holders of the parent	(3,712,707)	(3,611,496)
Weighted average number of ordinary shares for the purposes of basic loss per share	372,255,127	351,080,645
Basic loss per ordinary share	**(0.010)**	**(0.010)**

10. Property, plant and equipment

GROUP

Cost	**Furniture and Fittings (£)**	**Motor Vehicles (£)**	**Office Equipment (£)**	**I.T Equipment (£)**	**Plant & Machinery (£)**	**Total (£)**
Opening Cost as at 1 January 2016	100,516	77,399	20,778	15,570	4,707	218,970
Additions	198	-	4,646	4,185	-	9,029
Additions through business combinations	-	126,035	22,513	8,603	-	157,151
Disposals of subsidiaries	-	-	(6,501)	-	-	(6,501)
Exchange movements	20,595	15,858	4,257	3,191	965	44,866
Closing Cost as at 31 December 2016	**121,309**	**219,292**	**45,693**	**31,549**	**5,672**	**423,515**
Additions	1,004	-	-	171	-	1,175
Additions through business combinations	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Exchange movements	(6,521)	(19,326)	(7,285)	(5,026)	1,745	(36,413)
Closing Cost as at 31 December 2017	**115,792**	**199,966**	**38,408**	**26,694**	**7,417**	**388,277**
Accumulated Depreciation ("Acc Depr")	**Furniture and Fittings (£)**	**Motor Vehicles (£)**	**Office Equipment (£)**	**I.T Equipment (£)**	**Plant & Machinery (£)**	**Total (£)**
Acc Depr as at 1 January 2016	93,683	77,399	20,442	15,570	4,694	211,788
Additions through business combinations	-	126,035	22,057	8,603	-	156,695
Disposals of subsidiaries	-	-	(6,502)	-	-	(6,502)
Depreciation	7,250	-	433	529	15	8,227
Exchange Movements	19,906	15,858	4,230	3,243	963	44,200
Acc Depr as at 31 December 2016	**120,839**	**219,292**	**40,660**	**27,945**	**5,672**	**414,408**
Additions through business combinations	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation	856	-	905	977	-	2,738
Exchange movements	(6,897)	(19,326)	(7,333)	(4,708)	1,745	(36,519)
Acc Depr as at 31 December 2017	**114,798**	**199,966**	**34,232**	**24,214**	**7,417**	**380,627**
Carrying Value	**Furniture and Fittings (£)**	**Motor Vehicles (£)**	**Office Equipment (£)**	**I.T Equipment (£)**	**Plant & Machinery (£)**	**Total (£)**
Carrying value as at 31 December 2016	**470**	**-**	**5,033**	**3,604**	**-**	**9,107**
Carrying value as at 31 December 2017	**994**	**-**	**4,176**	**2,480**	**-**	**7,650**

11. Intangible assets

Intangible assets consist solely of separately identifiable prospecting assets identified through business combinations, where these separately identifiable intangible assets will be recognised at fair value on acquisition date of said subsidiary.

The following reconciliation serves to summarise the composition of intangible prospecting assets as at period end:

Reconciliation of Intangible Assets

	Pinewood Project (£)	Mbeya Coal to Power Project (£)	Lake Victoria Project (£)	Haneti Project (£)	Total (£)
Valuation as at 1 January 2016	-	15,896,105	1,700,000	-	17,596,105
Impairment of prospecting licences	-	-	-	-	-
Reversal of impairment of licences	-	-	-	-	-
Carrying value as at 1 January 2017	-	15,896,105	1,700,000	-	17,596,105
Impairment of prospecting licences	-	-	-	-	-
Reversal of impairment of licences	-	-	-	-	-
Carrying value as at 31 December 2017	-	15,896,105	1,700,000	-	17,596,105

Intangible assets are not amortised, due to the indefinite useful life which is attached to the underlying prospecting rights, until such time that active mining operations commence, which will result in the intangible asset being amortised over the useful life of the relevant mining licences.

Intangible assets with an indefinite useful life are assessed for impairment on an annual basis, against the prospective fair value of the intangible asset. The valuation of intangible assets with an indefinite useful life is reassessed on an annual basis through valuation techniques applicable to the nature of the intangible assets.

In assessing whether a write-down is required in the carrying value of a potentially impaired intangible asset, the asset's carrying value is compared with its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. The valuation techniques applicable to the valuation of the abovementioned intangible assets comprise a combination of fair market values, discounted cash flow projections and historic transaction prices.

The following key assumptions influence the measurement of the intangible assets recoverable amounts, through utilising the value in use method in order to determine the recoverable amount:

- Comparable market value of similar mineral statements;
- Currency fluctuations and exchange movements;
- Expected growth rates;
- Cost of capital related to funding requirements;
- Applicable discounts rates;
- Future operating expenditure for extraction and mining of measured mineral resources; and
- Co-operation of key project partners going forward.

Through review of the project specific financial, operational, market and economic indicators applicable to the above intangible assets, impairment indicators were identified which required impairment of the intangible assets and reversal of impairments recognised in respect of selective exploration projects.

Mbeya Coal to Power Project
In January, the Company announced the completion of a key document, the Integrated Bankable Feasibility Study (IBFS) on the project. The highlights included:

- Total capital requirement for the integrated project reduced 21.1 % from the original integrated prefeasibility study ("IPFS") figure;
- Indicative MCPP total revenue over an assumed 25-year life of project (Note: the final life of project will be fixed by the final Power Purchase Agreement ("PPA")) of approximately US$7.5 to US$8.5 billion;
- Indicative post tax Equity IRR between 21% and 22%, an increase of 11% on the indicative IPFS post-tax Equity IRR, based on the following conservative debt assumptions:

    - Debt tenor: 12 years;
    - All in interest rate (post construction): 10%; and DSRA facility: 6 months
    - Post tax Project IRR ranging between 14.7% and 16%;
    - Indicative post-tax payback:
      Equity Payback Period: 4 to 5 years
      Debt Payback Period: 11 to 12 years

As at year end the Group re-assessed the fair value of intangible assets with an indefinite useful life utilising the resource estimation principles applicable to the Mbeya Coal assets, concluding that there is no impairment as the fair value of these intangible assets exceed the carrying value.

Lake Victoria Project
With the divestment of its entire interest in Kibo Gold during the current period, the Group has divested interest in the Lake Victoria projects (Imweru & Lubando) which are currently being further developed by Katoro Gold PLC. During the current financial period significant further progress has been made by Katoro Gold PLC in developing the Imweru project, which can been seen from the following key milestones achieved:

- 31 further holes for a total 3,410 metres drilled;
- Mining Licence application submitted ;
- Granted certification from the relevant Tanzanian environmental authority for the terms of reference and scoping report for the Imweru ESIA.

As at year end the Group re-assessed the fair value of intangible assets with an indefinite useful life utilising the resource estimation principles applicable to the Lake Victoria assets, concluding that there is no impairment as the fair value of these intangible assets exceed the carrying value.

12. Acquisition of subsidiary

The Group successfully concluded its transaction with Opera Investments ("Opera"), whereby Opera acquired Kibo's Imweru and Lubando gold properties for 61 million Opera shares representing a valuation of £3.66 million. The purchase price comprises cost incurred in relation to development of the Kibo Gold Ltd project. An amount of £864,050 as per interim deal fees working schedule was expensed through profit and loss. Opera was incorporated on 11 November 2014 with an initial share capital of £52,500 and raised £1,200,000 before transaction expenses through a fundraising at a placing price of 10 pence per share in conjunction with its initial admission to the Standard Segment and to trading on the Main Market in April 2015, in order to finance the identification and acquisition of a natural resources company, business, project or asset that it would develop and grow. The acquisition of Opera shares was undertaken by Kibo to focus on the further development of the Mbeya Coal to Power Project and accordingly Kibo diluted its interest in Kibo Gold Limited projects. Opera was renamed Katoro Gold PLC ("Katoro") and was admitted to AIM on 23 May 2017. Kibo retains an interest of 56.7% in Katoro.

The acquisition of Katoro by Kibo read in accordance with *IFRS 3: Business Combinations*, an entity which does not have processes, input and output cannot be defined as a business. Thus, as Katoro is not a business as defined in accordance with IFRS 3, the acquisition method as prescribed by IFRS 3 would not be applicable. As a result, the acquisition is classified as a disposal without a loss of control transaction in terms of IFRS, as the majority of shareholder of the Kibo Group before and after the acquisition is similar. This results therein that no fair value exercise was performed on the Katoro assets and liabilities acquired; all existing book values were carried over to the Kibo group; no additional goodwill was generated from this transaction and any difference between the value of the shares received by Kibo and the net asset value of Katoro at its acquisition date has been recognised in equity reserves.

The following table provides detail relating to the acquisitions:

	Group 2017 (£)	Group 2016 (£)
Property, plant and equipment	-	457
Current taxation receivable	-	-
Trade and other receivables	863,254	-
Cash and cash equivalents	465,408	-
Trade and other payables	(780,644)	(9,226)
Net assets acquired	**548,018**	**(8,769)**

Katoro (previously Opera Investments Plc), was a cash shell listed on the Alternative Investment Market ("AIM") of the LSE, where its objective was to acquire early stage exploration projects, such as the Lake Victoria project. Katoro incurred a net loss of £1,888,363 during the 2017 financial period since acquisition, of which £911,648 related to exploration activities, £206,670 relates to deemed cost of listing and £770,141 relate to administrative costs, including listing and capital raising fees. The purchase price paid by Katoro included settlement of the outstanding loan account amount and related cost incurred on the project.

13.Trade and other receivables

	Group 2017 (£)	Group 2016 (£)	Company 2017 (£)	Company 2016 (£)
Amounts falling due over one year:				
Amounts owed by group undertakings	-	-	24,402,788	26,998,867
Amounts falling due within one year:				
Other debtors	59,046	50,633	413	690
	59,046	50,633	24,403,201	26,999,557

The nature of amounts owed by Group undertakings is such that the expected recovery thereof is in excess of one year, and is thus classified as amounts falling due after one year.

The carrying value of current trade and other receivables equals their fair value due mainly to the short-term nature of these receivables.

Amounts owed by group undertakings represent inter-company loans between the Company and its subsidiaries. They have no fixed repayment terms, bear no interest and are unsecured, resulting in the recognition of the receivable as a non-current asset due to settlement being extended beyond 12 months.

The net decrease in amounts owed by group undertakings relates to the settlement of the £1.5million Sanderson borrowings during the prior financial period, through the issue of shares in Mbeya Coal Development Company Limited, a subsidiary of the Company (see Note 21).

Trade and other receivables pledged as security

None of the above stated trade and other receivables were pledged as security at period end. Credit quality of trade and other receivables that are neither past due nor impaired can be assessed by reference to historical repayment trends of the individual debtors.

14. Cash

Cash consists of:	Group (£) 2017	Group (£) 2016	Company (£) 2017	Company (£) 2016
Short term convertible cash reserves	**766,586**	**382,339**	**5,690**	**22,082**
	766,586	**382,339**	**5,690**	**22,082**

Cash has not been ceded, or placed as encumbrance toward any liabilities as at year end.

15. Share capital - Group and Company

	2017	2016
Authorised equity		
1,000,000,000 (2016: 1,000,000,000) Ordinary shares of €0.015 each	€15,000,000	€15,000,000
3,000,000,000 deferred shares of €0.009 each	€27,000,000	€27,000,000
	€42,000,000	**€42,000,000**
Allotted, issued and fully paid shares		
(2017: 395,254,364 Ordinary shares of €0.015 each)	£4,758,595	-
(2016: 363,976,596 Ordinary shares of €0.015 each)	-	£4,346,890
1,291,394,535 Deferred shares of €0.009 each	£9,257,075	£9,257,075
	£14,015,670	**£13,603,965**

	Number of Shares	Ordinary Share Capital (£)	Deferred Share Capital (£)	Share Premium (£)	Treasury shares (£)
Balance at 31 December 2016	**363,976,596**	**4,346,890**	**9,257,075**	**27,318,262**	**-**
Shares issued during the period	31,277,768	411,705	-	1,151,488	-
Balance at 31 December 2017	**395,254,364**	**4,758,595**	**9,257,075**	**28,469,750**	**-**

All ordinary shares issued have the right to vote, right to receive dividends, a copy of the annual report, and the right to transfer ownership of their shares.

The Deferred Shares will not entitle holders to receive notice of, or attend or vote at any general meeting of the Company or to receive a dividend or other distribution or to participate in any return on capital on a winding up other than the nominal amount paid following a substantial distribution to the holders of the Ordinary Shares in the Company. Accordingly, for all practical purposes the Deferred Shares will be valueless, and it is the board's intention at the appropriate time, to purchase the Deferred Shares at an aggregate consideration of €1.

16. Control reserve

The transaction with Opera Investments (refer to note 12) represented a disposal without loss of control. Under IFRS this constitutes a transaction with equity holders and as such is recognised through equity as opposed to recognising goodwill. The control reserve represents the difference between the purchase consideration and the book value of the net assets and liabilities acquired in the transaction with Opera Investments.

17. Share based payments reserve

The following reconciliation serves to summarise the composition of the share based payment reserve as at period end:

	Group (£)	
	2017	**2016**
Opening balance of share based payment reserve	**514,279**	**514,279**
Issue of share options and warrants	41,807	-
Reclassification of share based payment reserve on expired share options		-
	556,086	**514,279**

Share options and warrants in the current year relate to 1,208,333 ordinary shares in Katoro Gold Plc Group, issued to directors of Katoro Gold Plc. The fair value of the warrants issued have been determined using the Black-Scholes option pricing model. The fair value at the date of the grant per warrant was £0. 06.

	Company (£)	
	2017	**2016**
Opening balance of share based payment reserve	**514,279**	**514,279**
Issue of share options and warrants	**-**	**-**
Reclassification of share based payment reserve on expired share options	**-**	**-**
	514,279	**514,279**

Costs associated with options issued as stated above.

The Group recognised the following expense related to equity settled share based payment transactions:

	2017 (£)	**2016 (£)**
Fair value of share options issued	-	-
Non-executive Directors emoluments settled	-	-
Geological expenditure settled*	13,194	8,822
Listing and capital raising fees	908,543	1,648,004
	921,737	**1,656,826**

* The company issued 277,768 ordinary shares of €0.015 par value each in the capital of the Company to service providers in settlement of invoices for a total amount of £13,194. The shares issued were in respect of invoices for geological and investor relations services to the Company and were issued at a price of 4.75p per Kibo share.

The Company recognised the following expense related to equity settled share based payment transactions:

	2017 (£)	**2016 (£)**
Fair value of share options issued	-	-
Listing and capital raising fees	908,543	1,648,004
Non-executive Directors emoluments settled	-	-
	908,543	**1,648,004**

At 31 December 2017 the Company had 14,399,333 options and 10,000,000 warrants outstanding detailed below:

	Date of Grant	**Exercise start date**	**Expiry date**	**Exercise Price**	**Number Granted**	**Exercisable as at 31 December 2017**
Options	02 Jun 15	02 Jun 15	1 Jun 18	5p	14,399,333	14,399,333

Warrants	20 Feb 15	24 Mar 15	23 Mar 18	9p	10,000,000	10,000,000
Total Contingently Issuable shares					**24,399,333**	24,399,333

Reconciliation of the quantity of share options in issue:

	Group		Company	
	2017	**2016**	**2017**	**2016**
Opening balance	**14,399,333**	**14,399,333**	**14,399,333**	**14,399,333**
Issue of share options	-	-	-	-
Expiration of share options	-	-	-	-
	14,399,333	**14,399,333**	**14,399,333**	**14,399,333**

Reconciliation of the quantity of warrants in issue:

	Group		Company	
	2017	**2016**	**2017**	**2016**
Opening balance	**10,000,000**	**10,000,000**	**10,000,000**	**10,000,000**
Warrants issued	-	-	-	-
Warrants exercised	-	-	-	-
Warrants lapsed	-	-	-	-
	10,000,000	**10,000,000**	**10,000,000**	**10,000,000**

Weighted average remaining contractual life of warrants is 0.2 years, and options are 0.5 years. The average share price during the year was £0.0557. The weighted average exercise price of the options and warrants outstanding at year end was £0.05 and £0.09 respectively.

The fair value of the share-based payment is based upon the Black-Scholes formula, a commonly used option pricing model. The calculation of volatility used in the model is based upon an average of market prices against current market prices of listed companies operating in the mining industry.

The 10,000,0000 warrants, with an expiry date of 23 March 2018, exercisable at £0.09 and 14,399,333 options, with an expiry date of 1 June 2018, exercisable at £0.05 outstanding as at year end were issued as incentive to joint-venture partners and employees respectively in order to retain fruitful continued financial relationships with these stakeholders respectively. No fair value was allocated to the 10,000,000 warrants in issue at year end as the Directors considered that no services were received in exchange for the issue of warrants.

18. Translation reserves

The foreign exchange reserve relates to the foreign exchange effect of the retranslation of the Group's overseas subsidiaries on consolidation into the Group's financial statements, taking into account the financing provided to subsidiary operations is seen as part of the Group's net investment in subsidiaries.

	Group		Company	
	2017 (£)	**2016 (£)**	**2017 (£)**	**2016 (£)**
Opening balance	**(285,491)**	**(384,619)**	**47,430**	**52,499**
Movement during the period	16,985	99,128	(32,707)	(5,069)
Closing balance of foreign currency translation reserve	**(268,506)**	**(285,491)**	**14,723**	**47,430**

19. Non-controlling interest

The non-controlling interest carried forward relates to the 2.5% interest held by Sanderson Capital Partners Limited in the Mbeya Coal Development Limited and its subsidiaries with effect from 1 September 2016. Effective on 23 May 2017 the Company concluded the disposal of its Kibo Gold Group of entities to Katoro Gold in exchange for 57.1% equity in Katoro Gold. The transaction did not result in a loss of control.

	Group	
	2017 (£)	**2016 (£)**
Opening balance	**(1,435)**	**-**
Disposal of interest in subsidiary without loss of control	(803,421)	(27,515)
Acquisition of interest in subsidiary	235,100	-
Loss for the year allocated to non-controlling interest	(813,632)	26,080
Closing balance of non-controlling interest	**(1,383,388)**	**(1,435)**

The summarised financial information for significant subsidiaries in which the non-controlling interest has an influence, namely the Katoro Gold Group as at ended 31 December 2017, is presented below:

	Katoro plc Group 2017 (£)
Statement of Financial position	
Total assets	566,658
Total liabilities	(175,284)
Statement of Profit and Loss	
Revenue for the period	-
Loss for the period	(1,888,461)
Statement of Cash Flow	
Cash flows from operating activities	(1,230,170)
Cash flows from investing activities	-
Cash flows from financing activities	1,783,753

20. Trade and other payables

	Group 2017 (£)	Group 2016 (£)	Company 2017 (£)	Company 2016 (£)
Amounts falling due within one year:				
Trade payables	266,218	146,380	86,736	35,003
	266,218	**146,380**	**86,736**	**35,003**

The carrying value of current trade and other payables equals their fair value due mainly to the short term nature of these receivables.

21. Borrowings

	Group 2017 (£)	Group 2016 (£)	Company 2017 (£)	Company 2016 (£)
Amounts falling due within one year:				
Short term loans	1,210,768	251,928	1,210,768	251,928
	1,210,768	**251,928**	**1,210,768**	**251,928**

	Group 2017 (£)	Group 2016 (£)	Company 2017 (£)	Company 2016 (£)
Reconciliation of borrowings:				
Opening balance	251,928	-	251,928	-
Raised during the year	1,748,840	251,928	1,748,840	251,928
Settled through the issue of shares	(790,000)	-	(790,000)	-
Closing balance	**1,210,768**	**251,928**	**1,210,768**	**251,928**

The borrowings relate to the unsecured interest free loan facility from Sanderson Capital Partners Limited which was repayable either through the issue of cash or ordinary shares in the Company. On 1 September 2016, the Company renegotiated the settlement terms where Sanderson Capital Partners Limited agreed to convert the full loan amount outstanding (£1.5million) into a 2.5% equity interest in the Mbeya Development Company Limited which is a 100% held subsidiary of the Group, and holds 100% interest in the Mbeya Coal to Power Project. Towards the end of 2016 and during the 2017 financial year, the Group drew down £2,000,768 of the revised facility and settled £790,000 by way of a share issue. A further balance of £565,308 was settled by way of cash and shares (£365,500) issued subsequent to year end – refer post balance sheet events.

22. Provisions

	Group 2017 (£)	Group 2016 (£)	Company 2017 (£)	Company 2016 (£)
Amounts falling due within one year:				
Potential corporate transaction	-	115,663	-	115,663
	-	**115,663**	**-**	**115,663**

Under the terms of the heads of terms agreement with Opera Investments Plc ("Opera") on 23 September 2016, the Kibo Group agreed to undertake due diligence and incur costs associated with the Katoro transaction. These costs were incurred by Opera during the 2016 financial period, and settled on date of listing by Kibo, decreasing the liability during the current period.

23. Investment in group undertakings

	Subsidiary undertakings (£)
Investments at Cost	
At 1 January 2016	1,700,000
Additions	-
Disposals	-
At 31 December 2016 (£)	**1,700,000**
Additions	3,710,000
Provision for impairment	(1,941,776)
Disposals	-
At 31 December 2017 (£) *	**3,468,224**

* The above investment in subsidiaries comprises the carrying value of the investments in Kibo Mining (Cyprus) Limited, Sloane Developments Limited and Katoro Gold Plc to the value of £1,700,000, £nil and £1,768,224 respectively. As at year end, the investment in Katoro Gold Plc, originally purchased for £3,710,000, showed indications of impairment, based on the fair market value (£0.02880 per share) at which the shares were being traded on the Alternative Investment Market of the LSE. This resulted in an impairment being recognised through profit and loss against the investment in Katoro Gold Plc amounting to £1,941,776 for the Company.

At 31 December 2017 the Company had the following undertakings:

Description	Subsidiary, associate or Joint Venture	Activity	Incorporated in	Interest held (2017)	Interest held (2016)
Directly held subsidiaries					
Sloane Developments Limited	Subsidiary	Holding Company	United Kingdom	100%	100%
Kibo Mining (Cyprus) Limited	Subsidiary	Treasury Function	Cyprus	100%	100%
Katoro Gold Plc	Subsidiary	Mineral Exploration	United Kingdom	57%	-
Indirectly held subsidiaries					
Kibo Gold Limited	Subsidiary	Holding Company	Cyprus	57%	100%
Savannah Mining Limited	Subsidiary	Mineral Exploration	Tanzania	57%	100%
Reef Miners Limited	Subsidiary	Mineral Exploration	Tanzania	57%	100%
Kibo Nickel Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Eagle Exploration Limited	Subsidiary	Mineral Exploration	Tanzania	100%	100%
Mzuri Energy Limited	Subsidiary	Holding Company	Canada	100%	100%
Mbeya Holdings Limited	Subsidiary	Holding Company	Cyprus	97,5%	97,5%
Mbeya Development Limited	Subsidiary	Holding Company	Cyprus	97,5%	97,5%
Mbeya Mining Company Limited	Subsidiary	Holding Company	Cyprus	97,5%	97,5%
Mbeya Coal Limited	Subsidiary	Mineral Exploration	Tanzania	100%	100%
Mzuri Power Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Mbeya Power Tanzania Limited	Subsidiary	Power Generation	Tanzania	97,5%	97,5%
Kibo Mining South Africa (Pty) Ltd	Subsidiary	Treasury Function	South Africa	100%	100%
Kibo Exploration (Tanzania) Limited	Subsidiary	Treasury Function	Tanzania	100%	100%
Kibo MXS Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Tourlou Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Mzuri Exploration Services Limited	Subsidiary	Exploration Services	Tanzania	100%	100%
Protocol Mining Limited	Subsidiary	Exploration Services	Tanzania	100%	100%
Jubilee Resources Limited	Subsidiary	Mineral Exploration	Tanzania	100%	50%
Kibo Jubilee (Cyprus) Limited	Subsidiary	Holding Company	Cyprus	100%	50%
Kibo Uranium Limited	Subsidiary	Mineral Exploration	Cyprus	100%	50%
Pinewood Resources Limited	Subsidiary	Mineral Exploration	Tanzania	100%	50%
Makambako Resources Limited	Subsidiary	Mineral Exploration	Tanzania	100%	50%

The value of the investments is dependent on the discovery and successful development of evaluation and exploration assets. Should the development of the evaluation and exploration assets prove unsuccessful, the carrying value in the statement of financial position will be written off. In the opinion of the Directors' the carrying value of the investments is appropriate.

The aggregate pre-consolidation capital and reserves and results of the subsidiary undertakings for the last relevant financial period were as follows:

Group – 2017 Financial Period	Net Asset Value/ (Net Liability Value) (£)	Profit/(loss) for the period (£)
Reef Miners Limited	(1,882,194)	(959,515)
Jubilee Resources Limited	(1,271,268)	(7,812)
Kibo Cyprus Jubilee Limited	(10,438)	(4,035)
Savannah Mining Limited	(938,819)	(119,169)
Kibo Gold Limited	(220,345)	(175,498)
Kibo Exploration Limited	(561,939)	(112,686)

Kibo Mining South Africa	9,093	(209)
Kibo Mining Cyprus	(21,122,347)	3,539,547
Protocol Mining Limited	(9,553)	(1,599)
Mzuri Exploration Limited	(1,212,094)	(439,805)
Kibo MXS Limited	(5,726)	(2,871)
Tourlou Limited	(4,585)	(4,275)
Eagle Gold Limited	(661,019)	36,677
Kibo Nickel Limited	(10,315)	(2,871)
Makambako Limited	(39,214)	(388)
Pinewood Resources Limited	(492,549)	(3,403)
Kibo Uranium Limited	(10,682)	(3,255)
Rukwa Holdings Limited	(8,984)	(2,479)
Mzuri Energy Limited	(21,341)	-
Rukwa Coal Limited	(320,023)	(111,347)
Mzuri Power Limited	(246,728)	(119,778)
Rukwa Mining Limited	156,029	(15,256)
Rukwa Development Limited	3,239	(181,022)
Sloane Developments Limited	(18,407)	(4,603)
Katoro Limited	2,099,584	(709,008)
Kibo Mining Plc	26,579,611	(3,269,920)

* The profit and loss pertaining to newly acquired subsidiary undertakings has been included from the date of acquisition so as to prevent distortion of pre-acquisition profit and loss.

Group – 2016 Financial Period	**Net Asset Value/ (Net Liability Value) (£)**	**Profit/(loss) for the period (£)**
Sloane Developments Limited	(13,804)	(10,108)
Kibo Mining (Cyprus) Limited	(25,954,475)	5,619,460
Kibo Gold Limited	(41,065)	(34,928)
Savannah Mining Limited	(904,822)	(29,192)
Reef Mining Limited	(1,059,829)	(120,000)
Kibo Nickel Limited	(7,125)	(2,660)
Eagle Exploration Mining Limited	(697,278)	(71,592)
Mzuri Energy Limited	(16,016)	(85)
Mbeya Holdings Limited	(6,225)	(6,527)
Mbeya Development Limited	181,326	(3,110)
Mbeya Mining Company Limited	165,535	(2,537)
Mbeya Coal Limited	(234,268)	327,056
Mzuri Power Limited	(120,186)	(112,858)
Mbeya Power Tanzania Limited	-	-
Kibo Mining South Africa Limited	9,030	(1,316)
Kibo Exploration (Tanzania) Limited	(498,527)	262,499
Kibo MXS Limited	(2,697)	(6,671)
Tourlou Limited	(1,337)	(2,611)
Mzuri Exploration Services Limited	(865,278)	(422,616)
Protocol Mining Limited*	-	-

* The profit and loss pertaining to newly acquired subsidiary undertakings has been included from the date of acquisition so as to prevent distortion of pre-acquisition profit and loss.

24. Related party transactions

Related parties of the Group comprise subsidiaries, joint ventures, significant shareholders, the Board of Directors and related parties in terms of the listing requirements.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

Board of Directors/ Key Management

Name	Relationship (Directors of:)
Andreas Lianos	River Group, Boudica Group, Tsitato Trading Limited, Gattonside Trading Limited and Namaqua Management Limited

Other entities over which directors/key management or their close family have control or significant influence:

River Group	River Group provide corporate advisory services and is the Company's Designated Advisor.
Boudica Group	Boudica Group provides secretarial services to the Group.

Kibo Mining Plc is a shareholder of the following companies and as such are considered related parties:

Directly held subsidiaries:	Sloane Developments Limited Kibo Mining (Cyprus) Limited Katoro Gold Plc
Indirectly held subsidiaries:	Kibo Gold Limited Kibo Mining South Africa Limited Savannah Mining Limited Reef Mining Limited Kibo Nickel Limited Eagle Exploration Mining Limited Mzuri Energy Limited Rukwa Holdings Limited Rukwa Development Limited Rukwa Mining Company Limited Rukwa Coal Limited Mzuri Power Limited Kibo Exploration (Tanzania) Limited Mbeya Power Tanzania Limited Kibo MXS Limited Mzuri Exploration Services Limited Tourlou Limited Kibo Uranium Limited Pinewood Resources Limited Makambako Resources Limited Jubilee Resources Limited Kibo Jubilee (Cyprus) Limited

The transactions during the period between the Company and its subsidiaries included the settlement of expenditure to/from subsidiaries, working capital funding, and settlement of the Company's liabilities through the issue of equity in subsidiaries. The loans to/ from group companies do not have fixed repayment terms and are unsecured.

The following transactions have been entered into with related entities, by way of common directorship, throughout the financial period.

River Group was paid £78,294 (2016: £47,009) for designated advisor services, corporate advisor services and corporate financer fees during the year settled through cash. No fees are payable to River Group as at year end. The expenditure was recognised in the Company as part of administrative expenditure.

During the year, Namaqua Management Limited or its nominees, was paid £573,438 (2016: £574,685) for the provision of administrative and management services. £48,824 was payable at the year-end (2016: Nil). Furthermore, during the current year, L. Coetzee, N. O'Keeffe and AL. Lianos each received 1,300,000 ordinary shares valued at £65,000 in lieu of services as directors.

The Boudica Group was paid £59,358 (2016: £38,552) in cash for corporate services during the current financial period. No fees are payable to Boudica Group at year end.

25. Financial Instruments and Financial Risk Management

The Group and Company's principal financial instruments comprises cash. The main purpose of these financial instruments is to provide finance for the Group and Company's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the 2017 and 2016 financial period, the Group and Company's policy not to undertake trading in derivatives.

The main risks arising from the Group and Company'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.

	2017 (£)		2016 (£)	
Financial instruments of the Group are:	Loans and receivables	Financial liabilities	Loans and receivables	Financial liabilities
Financial assets at amortised cost				
Trade and other receivables	59,046	-	50,633	-
Cash	766,586	-	382,339	-
Financial liabilities at amortised cost				
Trade payables	-	266,218	-	146,380
Borrowings	-	1,210,768	-	251,928
	825,632	**1,476,986**	**432,972**	**398,308**

	2017 (£)		2016 (£)	
Financial instruments of the Company are:	Loans and receivables	Financial liabilities	Loans and receivables	Financial liabilities
Financial assets at amortised cost				
Trade and other receivables – non current	24,402,788	-	26,998,867	-
Trade and other receivables – current	413	-	690	-
Cash	5,690	-	22,082	-
Financial liabilities at amortised cost				
Trade payables – current	-	86,736	-	35,003
Borrowings	-	1,210,768	-	251,928
	24,408,891	**1,297,504**	**27,021,639**	**286,931**

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, South African Rand, US Dollar and Tanzanian Shillings.

At the period ended 31 December 2017, the Group had no outstanding forward exchange contracts.

Exchange rates used for conversion of foreign subsidiaries undertakings were:

	2017	2016
ZAR to GBP (Spot)	0.0599	0.0594
ZAR to GBP (Average)	0.0593	0.0506
USD to GBP (Spot)	0.7411	0.8127
USD to GBP (Average)	0.7755	0.7401
EURO to GBP (Spot)	0.8877	0.8563
EURO to GBP (Average)	0.8699	0.8186
CAD to GBP (Spot)	0.5903	0.6033
CAD to GBP (Average)	0.5964	0.5587

The executive management of the Group monitor the Group's exposure to the concentration of fair value estimation risk on a monthly basis.

Group Sensitivity Analysis
If the GBP:EURO/ EURO:USD exchange rate was to increase/decrease by 10%, the effect on foreign currency translation would be £2.2 million (2016: £2.5 million) and £0.48 million (2016: £0.42 million) respectively.

Credit risk
Credit risk refers to the risk that a counter party 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 and Company'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 and Company'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.

Financial assets exposed to credit risk at period end were as follows:

Financial instruments	**Group (£)**		**Company (£)**	
	2017	**2016**	**2017**	**2016**
Trade & other receivables	59,046	50,633	24,403,201	26,999,557
Cash	766,586	382,339	5,690	22,082

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 and Company'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.

The Group and Company's financial liabilities as at 31 December 2017 were all payable on demand, other than the trade payables to other Group undertakings.

Group (£)	Less than 1 year	Greater than 1 year
At 31 December 2017		
Trade and other payables	266,218	-
Borrowings	1,210,768	-
At 31 December 2016		
Trade and other payables	146,380	-
Borrowings	251,928	-
Company (£)		
At 31 December 2017		
Trade and other payables	86,736	-
Borrowings	1,210,768	-
At 31 December 2016		
Trade and other payables	35,003	-
Borrowings	251,928	-

Interest rate risk

The Group and Company's exposure to the risk of changes in market interest rates relates primarily to the Group and Company's holdings of cash and short term deposits.

It is the Group and Company'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.

Group Sensitivity Analysis:

Currently no significant impact exists due to possible interest rate changes on the Company's interest bearing instruments.

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 period ended 31 December 2017. 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 and Company's financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair value.

Hedging

At 31 December 2017, the Group had no outstanding contracts designated as hedges.

26. Events after the reporting period

Mbeya Coal to Power Project

The Group made considerable progress in the Mbeya Coal to Power Project by signing a Memorandum of Understanding ("MOU") with the Tanzania Electric Supply Company ("TANESCO"), on 14 February 2018. This MOU is the precursor to the finalization of the Power Purchase Agreement ("PPA") for the 300MW mine – mouth power station to be constructed in south-western Tanzania. Although the PPA has not been signed at the date of issue of the Annual Financial Statements, the Tanzanian Government's recent pledge to support the private sector is favorable to the Group and evidences national government's commitment to all projects.

Strategies to complete the funding arrangements for this flagship project are ongoing.

Botswana Power Project Acquisition

On 3 April 2018, the Group completed the acquisition of an 85% interest in the Mabesekwa Coal Independent Power Project, located in Botswana. This acquisition is in line with the Group's strategy of positioning itself as a strategic regional electricity supplier in Southern Africa and creates many synergies with the MCPP in Tanzania.

As a result of the acquisition, 153,710,030 ordinary shares in Kibo were issued to Sechaba Natural Resources Limited ("Sechaba"). Sechaba retained a 15% interest in the Mabesekwa Coal Independent Power Project and gained a seat on Kibo's board of directors. Initial accounting for the business combination is incomplete at the time the financial statements are authorised for issue, as management is finalising outstanding areas with regard to the acquisition.

Share placements

Subsequent to year end, the company has raised the following placements:

- £750,000 in the placement of 17,647,060 ordinary Kibo shares at 4,25p per share;
- £1,500,000 in the placement of 28,571,428 ordinary Kibo shares at 5.25p per share;
- 8,370,716 ordinary shares in the company were issued, at a price of 5p per share, to Sanderson Capital Partners Limited ("Sanderson") as a partial settlement on the balance of funds drawn down under the forward payment facility between the Company and Sanderson. The shares issued are in respect of a repayment amount of US$568,712 (£565,308).

Benga Power Joint Venture

The Company has signed a Joint Venture Agreement (the 'Benga Power Joint Venture' or 'JV') with Mozambique energy company Termoeléctrica de Benga S.A. ('Termoeléctrica') to participate in the further assessment and potential development of the Benga Independent Power Project ('BIPP'), including the right to construct and operate a 150-300MW coal fired power station. Kibo and Termoeléctrica shall hold initial Participation Interests in the unincorporated joint venture of 65% and 35% respectively. In order to maintain this 65% interest, Kibo must fund a maximum of £1 million towards the completion of a Definitive Feasibility Study for the BIPP.

27. Going concern

The Company and Group's ability to continue as a going concern is dependent on the sourcing of additional funding by the Directors for the foreseeable future. The future of the Company and the Group is dependent on the successful future outcome of its short and medium term ability to raise new equity funding and the successful development of its exploration interests and of the availability of further funding to bring these interests to production. The Directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. Consequently, they consider that it is appropriate to prepare the financial statements on the going concern basis.

The capital-raising subsequent to appointing the new Joint Brokers during March and April 2018 has provided further cash resources in order to ensure prospecting activities are continued as planned without interruption. The prospective conclusion of the Power Purchase Agreement with the Tanzania Electric Supply Company will provide the Group with access to a currently under-served market. This project is considered the Company's flag-ship project and will place the Group in a favourable position to request additional funding from financers whom have supported the Group historically due to the potential for return on their investments.

The directors are also following an active approach to continuously reduce administrative costs in order to alleviate the pressure on cash flow. Furthermore, while the conclusion of the Power Purchase Agreement with the Tanzania Electric Supply Company is being finalised, the Group continues to minimize exploration activities in order to prioritise the MCPP.

The Directors have reviewed budgets, projected cash flows and other relevant information, and on the basis of this review, are confident that the Company and the Group will have adequate financial resources to continue in operational existence for the foreseeable future.

28. Commitments and Contingencies

The Group does not have identifiable material contingencies or commitments as at the reporting date. Any contingent rental is expensed in the period in which it is incurred.

ANNEXURE 1 - HEADLINE LOSS PER SHARE

Accounting policy

Headline earnings per share (HEPS) is calculated using the weighted average number of ordinary shares in issue during the period and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 2/2016 issued by the South African Institute of Chartered Accountants (SAICA).

Reconciliation of Headline earnings per share

Headline loss per share

Headline loss per share comprises the following:

Reconciliation of headline loss per share:	31 December 2017 (£)	31 December 2016 (£)
Loss for the period attributable to normal shareholders	(3,712,707)	(3,611,496)
Adjustments		
Deemed cost of listing	206,680	-
Headline loss for the period attributable to normal shareholders	(3,506,027)	(3,611,496)
Headline loss per ordinary share	(0.010)	(0.010)

In order to accurately reflect the weighted average number of ordinary shares for the purposes of basic earnings, dilutive earnings and headline earnings per share as at year end, the weighted average number of ordinary shares was adjusted retrospectively.

Company number 451931

Kibo Mining Public Limited Company

("Kibo" or "the Company")

NOTICE OF ANNUAL GENERAL MEETING
(the "Meeting")

NOTICE is hereby given that the Annual General Meeting of the Company with be held at 10 a.m. on the 30th July 2018 at the Conrad Hotel, Earlsfort Terrace, St Stephen's Green, Dublin 2, Ireland for the purpose of considering, and if thought fit, passing the following resolutions of which resolutions numbered 1,2,3,4,5 and 6 will be proposed as ordinary resolutions and resolutions numbered 7,8 and 9 will be proposed as special resolutions:

<u>Ordinary Business</u>

1 To receive, consider and adopt the financial statements for the year ended 31 December 2017 together with the Directors and Auditors Reports thereon.

2 To re-elect Mr Tinus Maree as a Director of the Company who retires by rotation in accordance with Regulation 84 of the Articles of Association of the Company.

3 To re-elect Mr Wenzel Kerremans as a Director of the Company who retires by rotation in accordance with Regulation 84 of the Articles of Association of the Company.

4 To appoint Crowe Clarke Whitehill LLP as auditors of the Company.

5 To authorise the Directors to fix the remuneration of the Auditors.

<u>Special business</u>

Ordinary Resolution

6 The Directors be and are hereby generally and unconditionally authorised pursuant to Section 1021 of the Companies Act 2014 ("**2014 Act**"), in substitution for all existing such authorities, to exercise all powers of the Company to allot relevant securities (within the meaning of Section 1021 of the 2014 Act) 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.

Special Resolution

7 Subject to the passing of Resolution 6 above that the Directors be and are hereby empowered pursuant to Section 1023 of the Companies Act 2014 ("**2014 Act**"), in substitution for all existing such authorities, to allot equity securities (within the meaning of Section 1023 of the 2014 Act) for cash pursuant to the authority conferred by resolution number 6 above as if Section 1022(1) of the 2014 Act, did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities including, without limitation, any shares purchased by the Company pursuant to the provisions of the 2014 Act 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. The authority hereby conferred shall expire 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. The authority hereby conferred may be renewed, revoked or varied by special resolution of the Company.

Special Resolution

8 THAT, subject to the approval of the Registrar of Companies, the name of the Company shall be changed from "Kibo Mining Public Limited Company" to "Kibo Energy Public Limited Company".

Special Resolution

9 THAT, subject to the passing of Resolution 8 above,

(a) the heading of the Memorandum of Association of the Company and clause 1 thereof be and is hereby amended by the deletion of the words "Kibo Mining Public Limited Company" and the insertion in their place of the words "Kibo Energy Public Limited Company"; and

(b) the Articles of Association of the Company be and are hereby amended by the deletion of the words "Kibo Mining Public Limited Company" from the heading and Regulation 1 thereof and the insertion in their place of the words "Kibo Energy Public Limited Company".

By Order of the Board

Noel O'Keeffe

Noel O'Keeffe
Director and Company Secretary

Dated: 25th June 2018

Registered Office:
17 Pembroke Street Upper
Dublin 2
Ireland

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, an individual copy of which has also been mailed to each shareholder together with an attendance card for admittance to the meeting. 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's share registrar, Link Registrars Limited, 2 Grand Canal Square, Dublin 2, D02 A342 not less than 48 hours prior to the time appointed for the meeting.

d. All South African shareholders must send their proxies to the transfer secretaries, Link Market Services South Africa (Pty) Ltd, 13th Floor, 19 Ameshoff Street,Braamfontein (PO Box 4844, Johannesburg, 2000) or via email to meetfax@linkmarketservices.co.za not less than 48 hours prior to the time appointed for the meeting.

e. 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.

f. The Company, pursuant to Section 1095 of the Companies Act, 2014 and regulation 14 of the Companies Act, 1990 (Uncertificated Securities) Regulations 1996 (as amended) specifies that only those shareholders registered in the Register of Members of the Company (the "Register") at the close of business on the day which is two days before the date of the meeting, (or in the case of an adjournment at the close of business on the day which is two days prior to the adjourned meeting), shall be entitled to attend and vote at the meeting or any adjournment thereof in respect only of the number of shares registered in their name at that time. Changes to entries in the Register after that time will be disregarded in determining the rights of any person to attend and/or vote at the meeting.

g. Biographical details for the Directors standing for re-election at the Meeting are set out in the Financial Statements. Each of the Directors has been subject to the evaluation process recommended by the King Corporate Governance Code. On this basis, the Chairman and Board are pleased to recommend the re-election of those Directors.

h. Copies of all documentation tabled before the Meeting are available on the Company's website. Should you not receive a Form of Proxy, or should you wish to be sent copies of these documents, you may request this by telephoning the Company's registrar (on + 353 1 553 0050) or by writing to the Company Secretary at the address set out above.

KIBO MINING PUBLIC LIMITED COMPANY

("**Kibo**" or the "**Company**")

FORM OF PROXY

Annual General Meeting (the "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 Annual General Meeting of the Company to be held on the 30th July 2018 at 10 a.m. in the Conrad Hotel, Earlsfort Terrace, St Stephen's Green, 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 Business of the Meeting		For	Against	Vote Withheld
1	To receive, consider and adopt the financial statements for the year ended 31 December 2017 together with the Directors and Auditors Reports thereon			
2	To re-elect Mr Tinus Maree as a Director			
3	To re-elect Mr Wenzel Kerremans as a Director			
4	To appoint Crowe Clarke Whitehill LLP as auditors			
5	To authorise the Directors to fix the remuneration of the auditors			
Special Business of the Meeting		**For**	**Against**	**Vote Withheld**
6	That the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities			
7	That the Directors be and are hereby empowered pursuant to Section 1023(3) of the Companies Act, 2014 to allot equity securities			
8	Subject to the approval of the Registrar of Companies, to change the name of the Company to Kibo Energy Public Limited Company			
9	That the proposed changes to the memorandum and articles of association of the Company be approved			

Dated this _______ day of _________ 2018

Signature or other execution by the shareholder (See Note C, turn over):

____

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's share registrar, Link Registrars Ltd, 2 Grand Canal Square, Dublin 2 at not less than 48 hours prior to the time appointed for the meeting.

South African shareholders must send their proxies to the transfer secretaries, Link Market Services South Africa (Pty) Ltd, 13th Floor, 19 Ameshoff Street, Braamfontein (PO Box 4844, Johannesburg, 2000) or via email to meetfax@linkmarketservices.co.za not less than 48 hours prior to the time appointed for the meeting (refer to notes to the Form of Proxy for South African Shareholder's below).

(F) A proxy need not be a shareholder of the Company but must attend the Meeting in person to represent his/her appointer.

(G) The return of a proxy form will not preclude any shareholder from attending and voting at the Meeting.

(H) The "Vote Withheld" option is provided to enable you to abstain on any particular resolution. It should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

(I) Pursuant to Section 1095 of the Companies Act, 2014 and regulation 14 of the Companies Act, 1990 (Uncertificated Securities) Regulations 1996 entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the date of the meeting (or in the case of an adjournment as at close of business on the day which is two days before the date of the adjourned meeting).Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

(J) Contingent on Resolution 8 being passed at the Meeting, no new share certificates will be sent to shareholders who currently hold shares in certificated form in the name of Kibo Mining Public Limited company. Accordingly, existing share certificates will remain valid, and will only be replaced by share certificates in the name of Kibo Energy Public Limited Company when the old share certificates are surrendered for cancellation following their transfer, transmission or other disposal.

South African Shareholders should refer to note 12 below for instructions on how they should proceed to receive reissued share certificates in the name of Kibo Energy Public Limited Company

(K) Shareholders who hold their Kibo shares in uncertificated form through CREST should expect to see the security description updated for the existing ISIN number (IE00B97C0C31), in order to reflect their holding in Kibo Energy Public Limited Company.

SOUTH AFRICAN SHAREHOLDERS

Notes to the Form of Proxy

1. A KIBO shareholder may insert the name of a proxy or the names of two alternative proxies of the KIBO shareholder's choice in the space/s provided, with or without deleting "the Chairperson of the General Meeting", but any such deletion must be initialled by the KIBO shareholder concerned. The person whose name appears first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in KIBO, insert the number of ordinary shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A KIBO shareholder or his/her proxy is not obliged to use all the votes exercisable by the KIBO shareholder or by his/her proxy, but the total of the votes cast and in respect whereof abstentions recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
3. The date must be filled in on this proxy form when it is signed.
4. The completion and lodging of this form of proxy will not preclude the relevant KIBO shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries of KIBO or waived by the Chairperson of the Annual General Meeting of KIBO shareholders.
6. Any alterations or corrections made to this form of proxy must be initialled by the signatory/ies.
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of KIBO.
8. Forms of proxy must be received by the transfer secretaries, Link Market Services South Africa (Pty) Ltd, 13th Floor, 19 Ameshoff Street,Braamfontein (PO Box 4844, Johannesburg, 2000) or via email to meetfax@linkmarketservices.co.za by not later than 10 a.m. on the 28th July 2018.
9. The Chairperson of the Annual General Meeting may accept or reject any form of proxy, in his absolute discretion, which is completed other than in accordance with these notes.
10. If required, additional forms of proxy are available from the transfer secretaries of KIBO.

11. Dematerialised shareholders, other than by own name registration, must NOT complete this form of proxy and must provide their CSDP or broker of their voting instructions in terms of the custody.

12. With regard to resolution 8, a Form of Transfer and Surrender is provided which should be completed by holders of certificated shareholders in Kibo and returned to Link Market Services in South Africa (refer address below) together with existing Kibo share certificates and any other documentation stipulated in the form to enable the existing certificates held to be cancelled and replaced with new ones in the name of Kibo Energy Public Limited Company.

To be completed and mailed
to: Link Market Services
South Africa (Pty) Ltd
PO Box 4844, Johannesburg 2000

OR

To be completed and hand delivered to:
Link Market Services South Africa (Pty) Ltd,
13th Floor, 19 Ameshoff Street, Braamfontein
OR E-mail: meetfax@linkmarketservices.co.za

Kibo Mining Plc
(Incorporated in Ireland)
(Registration Number: 451931)
(External registration number: 2011/007371/10)
Share code on AIM: KIBO
Share code on the AltX: KBO
ISIN: IE00B97C0C31
"**Kibo**" or "**the Company**"

FORM OF SURRENDER AND TRANSFER
FOR USE BY CERTIFICATED SHAREHOLDERS IN SOUTH AFRICA ONLY

INSTRUCTIONS: HOLDERS OF DEMATERIALISED SHARES MUST NOT COMPLETE THIS FORM OF SURRENDER AND TRANSFER

1. The Form of Surrender and Transfer of Documents of Title is for use only by certificated Kibo shareholders recorded on the Kibo share register ("Kibo Register") on the 20th June 2018 ("Certificated Shareholders").

2. A separate Form of Surrender and Transfer is required for each Certificated Shareholder.

3. Part A must be completed by all Certificated Shareholders who return this form.

4. Part B:

   4.1 Section 1 must be completed by all Certificated Shareholders who are emigrants from the Common Monetary Area.

   4.2 Section 2 must be completed by all other Certificated Shareholders who are non-residents of the Common Monetary Area (and who are not required to complete Section 1 of this Part B).

5. If this Form of Surrender and Transfer is returned with the relevant Documents of Title, it will be treated as a conditional surrender which is made subject to the passing of resolution 8 at the Company's 2018 AGM on the 30th July 2018 ("the AGM") to change the name of Company from Kibo Mining Public Limited Company to Kibo Energy Public Limited Company. In the event that resolution 8 is not passed at the AGM the Transfer Secretaries will, by not later than 5 (five) Business Days after the date of the AGM, return the Documents of Title to the relevant Certificated Shareholders concerned, by registered mail, at the risk of such Certificated Shareholders.

6. Persons who have acquired Shares after the 20th June 2018 can obtain copies of the Form of Surrender and Transfer from the Transfer Secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein (PO Box 4844, Johannesburg, 2000).

Dear Sirs

PART A: To be completed by all Kibo shareholders HOLDING CERTIFICATED SHARES who are recorded in the Kibo Register on the 20th June 2018 and who return this form

I/We hereby surrender the share certificate(s) and/or other Documents of Title attached hereto, representing Shares, registered in the name of the person mentioned below and authorise the Transfer Secretaries, conditional upon the passing of resolution 8 at the Company's AGM on the 30th July 2018 to register the transfer of these Shares into the name of Kibo Energy Public Limited Company.		
Name of registered holder (separate form for each holder)	Certificate Number(s)	Number of Shares covered by each certificate(s) enclosed
Total		

Surname or name of corporate body	
First names (in full)	
Title (Mr, Mrs, Miss, Ms etc)	
Address to which the re-issued share certificate should be sent (if different from registered address)	
	Postal Code:

Signature of Certified Shareholder		Stamp and address of agent lodging this form (if any)
Assisted by me (if applicable)		
(State full name and capacity)		
Date		
Telephone number (Home)		
Telephone number (Work)		
Cellphone number		

PART B:

1. **To be completed by emigrants from the Common Monetary Area.**
   Nominated Authorised Dealer in the case of a Certificated Shareholder who is an emigrant from the Common Monetary Area (see note 2 below)

Name of dealer	
Account number	
Address of dealer	

2. To be completed only by all other non-resident shareholders

Share certificates will be posted to the registered address of the non-residents concerned, unless written instructions to the contrary are received and an address provided below

Name of dealer	
Account number	
Address of dealer	
Substitute Address in South Africa	

In terms of the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001) requirements, the Transfer Secretaries will only be able to record any changes in address if the undermentioned documentation is received from the relevant Shareholder:

- an original certified copy of an identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number. If you do not have one, please submit this in writing and have the letter signed by a Commissioner of Oaths; and
- an original or an original certified copy of a service bill to verify your residential address.

Instructions:

1. No receipts will be issued for documents lodged unless specifically requested. In compliance with the requirements of the JSE, Lodging Agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this Form of Surrender and Transfer.

2. Any alteration to this Form of Surrender and Transfer must be signed in full and not merely initialled.

3. If this Form of Surrender and Transfer is signed under a power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this form for noting (unless it has already been noted by Kibo or its Transfer Secretaries at an earlier stage).

4. Where the Certificated Shareholder is a company or a close corporation, unless it has already been registered with Kibo or its Transfer Secretaries at an earlier stage, a certified copy of the directors' or members' resolution authorising the signing of this Form of Surrender and Transfer must be submitted if so requested by Kibo.

5. Instruction 4 above does not apply in the event of this form bearing a JSE broker's stamp. If this Form of Surrender and Transfer is not signed by the Certificated Shareholder, the Certificated Shareholder will be deemed to have irrevocably appointed the Transfer Secretaries of Kibo to implement the Certificated Shareholder's obligations on his/her behalf.

6. Where there are any joint holders of any Certificated Shares, only the holder whose name appears first in the Register in respect of such Certificated Shares, needs to sign this Form of Surrender and Transfer.

7. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries at an earlier stage.

EXPLANATION OF RESOLUTIONS TO BE PROPOSED AT THE ANNUAL GENERAL MEETING

Resolution 1: Financial statements

The Directors will present the financial statements of the Company for the year ended 31 December 2017. A full copy of the Annual Report is available on www.kibomining.com.

Resolutions 2 and 3: Re-election of Directors

Kibo Mining plc is led by a strong and effective Board of Directors. The performance of the Board is reviewed annually, and each of the Directors has made a substantial contribution to the leadership and governance of the Company during the year and continues to contribute effectively and to demonstrate commitment to their respective roles.

Mr Tinus Maree and Mr Wenzel Kerreman are retiring as directors of the Company in accordance with Regulation 84 of the Articles of Association of the Company and being eligible, have offered themselves for re-election.

Resolution 4: Appointment of Auditors

The Board is recommending the appointment of Crowe Clarke Whitehill LLP as Auditors.

We would like to thank Saffery Champness who have been Auditors of the Company since 2015 for their services over the past 3 years.

Resolution 5: Auditors' remuneration

The Directors are seeking to renew their authority to fix the remuneration of the Auditors for the year ending 31 December 2018.

Resolution 6: Allotment of shares

At the Annual General Meeting of the Company held in 2017, shareholders gave the Directors a general authority under Section 1021 of the Companies Act, 2014 to allot shares. That authority will expire at the conclusion of the forthcoming Annual General Meeting. Shareholders are therefore being asked to renew the Directors' authority to allot shares in the Company.

By Resolution 6, the Directors will, at the forthcoming Annual General Meeting, seek authority to issue 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. The authority will, if renewed, expire at the conclusion of the annual general meeting to be held in 2019. The Directors will exercise this authority only if they consider this to be in the best interests of shareholders generally at that time.

Resolution 7: Dis-application of pre-emption rights

The power given to the Directors at the 2017 Annual General Meeting to allot shares for cash otherwise than in accordance with statutory pre-emption rights also expires at the conclusion of the forthcoming Annual General Meeting.

Shareholders are therefore also being asked to renew, until the Annual General Meeting to be held in 2019, the Directors' authority to allot shares for cash otherwise than in accordance with statutory pre- emption provisions in the event of a rights issue or in respect of any other issue of equity securities for cash 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 Directors will exercise this authority only if they consider this to be in the best interests of shareholders generally at that time.

Resolution 8: Change of Name

Subject to the approval of the Registrar of Companies, the Directors are seeking to change the name of the Company to Kibo Energy Public Limited Company.

Resolution 9: Amendments to the Memorandum and Articles of Association

Subject to passing of Resolution 8, the Directors are seeking approval to change the relevant provisions of the Memorandum and Articles of Association of the Company to reflect the proposed change of name.

NOTES:

TARGET PROGRAMME FOR 2018/2019

KIBO MINING PLC

MCPP

- Finalisation of Power Purchase Agreement with TANESCO which will mark the last major step on the development plan prior to the commencement of Financial Close
- Complete Financial Close on the project to enable construction to commence which is estimated to take 36 months from the start of construction to completion

MCIPP

- Complete Integrated Bankable Feasibility Study

HANETI

- Continue to seek and evaluate JV proposals and other funding options that will allow the first stage of drilling on the project to proceed

KATORO GOLD PLC

IMWERU & LUBANDO

- Complete Definitive Mining Feasibility Study which is currently at an advanced stage
- Complete Financial Close on the project
- Construct mine and commence gold production
- Implement drill programmes for resource update at Lubando and for regional exploration over other licences within the Imweru and Lubando project blocks

CORPORATE

- Complete steps to transform Kibo into a strategic regional electricity producer

Classroom handover ceremony - Songwe Region March 2017

Coal Fired Power Station
Werdohl Elverlingsen Germany (Dr.G.Schmitz)