



KIBO MINING PLC

Itetemia and Luhala update

Dated: 20 December 2011

Kibo Mining plc ("Kibo" or the "Company") (AIM, KIBO: JSE, KBO) the mineral exploration and development company focused on gold and nickel projects in Tanzania, announces that it has decided to withdraw from the Option and Royalty Agreement between Tanzanian Royalty Exploration Corporation Limited ("TREC") and Kibo's wholly owned subsidiary, Sloane Developments Limited, dated 25 January 2007(the "Agreement"). The Company will not exercise its option to acquire TREC's interests in the Itetemia and Luhala projects both of which are located in the Lake Victoria Goldfields of northern Tanzania.

The Directors believe that the projects do not hold sufficient economic value and attempted to renegotiate the terms and conditions of the Agreement with TREC but this has not been possible. The Directors have decided after careful consideration of the potential value of the projects that the acquisition of Itetemia and Luhala would not contribute sufficiently to shareholders' value and will not exercise the Company's option to acquire 90% of the Itetemia project and 100% of the Luhala project as provided for under the terms of the Agreement.

By relinquishing the Itetemia and Luhala projects the Company, through the successful acquisition of Morogoro Gold Limited earlier in 2011, has repositioned itself as an exploration company with strong ground positions in the major gold exploration districts of Tanzania.

Commenting on these changes, Chairman Christian Schaffalitzky said:

"The Company's current asset portfolio provides its shareholders with the potential for exponentially better returns on their investments, than what could currently be derived from the Itetemia and Luhala projects."

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