

Katoro Gold plc (Incorporated in England and Wales)
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("Katoro" or "the Company")



12 July 2017

Imweru Drill Programme Ahead of Schedule and Below Budget

Katoro Gold plc ("Katoro" or the "Company") (AIM: KAT), the Tanzania focused gold exploration and development company, is pleased to announce that the infill drilling programme on its Imweru gold project in Tanzania is progressing significantly better than planned and is currently ahead of schedule and below budget.

Highlights

- Significant cost savings achieved, allowing scope of the Imweru development plan to be expanded to include:
 - Commissioning of full environmental and social impact assessment study ("ESIA") – no additional fundraise now required to conduct the ESIA
 - Imweru development drill program expanded to add additional 2,000 metres to the original drill program of approximately 1,400 metres
- Expanded drill program 75% complete – now approximately 10 days ahead of schedule in addition to two months gained on mobilisation (See RNS of 15 June 2017)
- Katoro set to be first successful exporter of geological samples under new mining legislation

As a result, of the strong drill performance and significant cost savings made in the last two weeks, Katoro has been able to change and expand the scope of the original Imweru development plan. The Company now has the budget to:

- Commission the full ESIA without the need to raise additional funds as originally stated in its Admission Document. The ESIA has already commenced and is fully mobilised
- Expand the original drill program to a total of 31 drill holes (3,410 metres), as opposed to the original 8 to 10 holes (1,400 metres). The additional metres will also include the water drilling program that is required to complete the hydrological study which constitutes part of the ESIA

The full complement of metallurgical samples required for the Imweru Feasibility Study are currently in the process of being exported to South Africa for analysis. These are the first geological samples to be exported under the new mining rules and whilst it is a more cumbersome process, no significant delays have been encountered to date nor are there any anticipated at this stage.

Louis Coetzee, Executive Chairman of Katoro commented: *"We are extremely pleased with progress on the Imweru development programme. This, combined with the vast in-country experience of the technical teams, has put the Company in a strong position to extract substantially more value out of the approved work program than initially expected. The fact that*

the full ESIA can now be conducted in parallel to the Feasibility Study will enable the Company to submit a far more complete and technically sound mining right application, which the Company believes will significantly expedite the application process. The expanded drill program will make an invaluable contribution towards enhancing the integrity of the Imweru resource both quantitatively and qualitatively, whilst simultaneously allowing the Company to complete all the geotechnical and hydrological work required for the Imweru Feasibility Study.”

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Katoro Gold - Notes to editors

In May 2017 Katoro acquired the Imweru and Lubando Gold Projects in Tanzania from Kibo Mining plc for a total consideration of £3.66 million and was admitted to trading on AIM.

Following the acquisition, Katoro owns 100% of the Imweru and Lubando Projects, which both have Mineral Resources established in accordance with the JORC (2012) Code. The total Mineral Resources stated for Imweru consist of 11.607 Mt at grade of 1.38 g/t for a Mineral Resource of 515,110 oz Au at a resource pay limit of 0.4 g/t for the open pit material and 1.3 g/t for the underground material, while the Lubando Mineral Resources equate to 6.78 Mt at grade of 1.10 g/t for 239,870 oz Au at a pay limit of 0.4 g/t to a depth of 200 m and 1.3 g/t below the 200 m depth cut-off. The respective projects also include the earlier stage Sheba (within the Imweru Licence Portfolio and Imweru Option Portfolio), Pamba and Busolwa (both within the Lubando Licence Portfolio and Lubando Option Portfolio) projects. The JORC Code compliant Competent Person's Report for each of Imweru and Lubando are available on Katoro's website www.katorogold.com.

The Company's primary focus is on advancing and developing Imweru through a work programme which will include, *inter alia*, a feasibility study and a drilling programme, with the aim, subject to funding, to commence production with an initial target of 50,000 oz gold per annum within 18-24 months from admission to AIM.

Updates on the Katoro's activities will be posted on its website www.katorogold.com.

This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014 ("MAR").