

**KOBOLONDO MINING/ BIRREL MINING INTERNATIONAL AND BULEMBU MINISTRIES
SWAZILAND SIGN OPTION AGREEMENT**

Bulembu, Swaziland 17 July 2017

Following Birrell Mining International's (BMI) recent acquisition of Bosveld Mining's Klipwal Gold Mine in KwaZulu Natal, is an agreement signed between Kobolondo Mining (of which BMI owns a 50% interest), and Bulembu Ministries Swaziland (BMS). This gives Kobolondo the right to purchase the farm and infrastructure of Bulembu in Swaziland, subject to certain conditions and regulatory approvals.

In 2006, BMS purchased the village and surrounding farm and infrastructure of Bulembu following the closure and liquidation of the Havelock Asbestos Mine. At the time, the village was almost deserted, with limited economic activity. What remained were the remnants of the old mining community and its operations.

Over the last 10 years, BMS has restored the town of Bulembu through a joint strategy of Community Care and Community Enterprise. This was achieved through starting several businesses, including Bulembu Honey, Bulembu Water, Bulembu Country Lodge, a dairy and a timber business. Today the village of Bulembu houses an integrated and comprehensive Childcare Programme, for 380 vulnerable children.

In November 2016, Kobolondo Mining received a mining lease to rehabilitate the abandoned chrysotile tailings storage facility (TSF) at Bulembu which remained from the now defunct Asbestos Mine.

Following the granting of the license to rehabilitate the abandoned tailings dump, BMS's priority is to ensure the welfare of the children in their care, away from environmental hazards normally associated with rehabilitation activities. The relocation planning process is expected to take some 18 months.

According to the agreement, Kobolondo will finance the relocation of the Childcare Programme in early 2019, in anticipation of the rehabilitation and resultant production processes. In addition, Kobolondo will make annual Corporate Social Responsibility contributions to BMS for the life of the project to assist with the ongoing sustainability of the Childcare Programme. Kobolondo will continue to work closely with BMS in managing the relocation to a new site. This includes minimising the impact on the community, as well as those who will remain in the village. Where feasible, support will be given to the existing local community businesses.

Neal Rijkenberg, chairman of the BMS Board says: "The agreement that we signed will see the continuation of the good work started by BMS as well as the rehabilitation activities at Bulembu by Kobolondo, in line with His Majesty's wishes within the Mining Lease."

Sue Elsey, CEO of Kobolondo adds that "The next 18 months will involve a great deal of hard work and discussions with all those involved in the planning for the relocation and the village.

The process must be handled sensitively and with due consideration of many different issues. However, I am confident that the changes will be the start of exciting new opportunities for both BMS and Bulembu.”