

PRESS RELEASE

Kinbauri Gold Corp.

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FOR IMMEDIATE RELEASE 2008-18

KINBAURI CLOSES ROYALTY AGREEMENT WITH ANGLO PACIFIC

OTTAWA, ONTARIO, MAY 14, 2008: Kinbauri Gold Corp. (“Kinbauri”) (Toronto: TSXV.KNB; Frankfurt: 3KG.DE) is pleased to announce that it has closed its \$7.5M Net Smelter Return Royalty agreement with Anglo Pacific Group PLC (“Anglo Pac”) (LSE: APF; ASX:AGP).

Under the terms of the agreement, Anglo Pac is funding Kinbauri, through the issuance of a convertible debt instrument in the principal amount of \$7.5M. Principal is to be repaid through a 2.5% net smelter return royalty on Kinbauri’s El Valle/Carles project located in Asturias, Spain. The royalty increases to 3% in the event gold prices exceed US\$1,100 an ounce. Upon repayment of principal, the instrument converts to a net smelter return royalty. In the event that the rate of production from the El Valle/Carles mill does not exceed 90,000 ounces of gold within the 2012 calendar year, Anglo Pac will have the right to convert all or a portion of the outstanding principal into Kinbauri common shares: (a) at a price of \$0.958 per share until May 12, 2013, and (b) subject to the approval of the TSX Venture Exchange, thereafter until December 31, 2015, at the discounted market price. Funds have been deposited into escrow pending registration of documents evidencing the Net Smelter Return Royalty against title to the El Valle/Carles project, which is expected to occur within the next two weeks. In addition, Anglo Pac has been granted 1.5 million warrants of Kinbauri, each exercisable into one common share at a price of \$0.90 until May 12, 2010. M Partners received a fee from Kinbauri of 3.5% of the principal amount of the debt instrument.

The agreement is an important milestone for Kinbauri as it allows it to complete drilling and development plans at the El Valle/Carles mines and mill in northwestern Spain with minimum dilution of share capital. The injection of \$7.5M of capital will allow Kinbauri to complete its feasibility study by the end of this year without further equity placements. With its recent receipt of a VAT (Value Added Tax) refund of \$1.7M from the Spanish Government, the expected infusion of additional Spanish government subsidies totalling \$750,000 and \$1M from a recent private placement with Anglo Pac (press release of April 23), Kinbauri is well capitalized and in a strong position to complete its 23,000 metre infill drilling program ahead of schedule and subsequently commence an aggressive exploratory drill program at both its El Valle/Carles properties in search of additional resources. The feasibility study will allow Kinbauri to finance the remainder of its pre-production and production development by non-dilutive alternatives.

Dr Vern Rampton, President and CEO of Kinbauri commented. “By any standards, we have made huge progress over the last year; above expectations and ahead of schedule. We are most pleased that our corporate goal of achieving production at El Valle by 2010 is now within reach”.

Kinbauri is a TSXV – Tier 1 Mineral Exploration Company focused on the development of mineral properties, primarily precious metal prospects in northwestern Spain, Nevada and Canada. Its immediate focus is to expand and upgrade resources to reserves at the El Valle property in Asturias, Spain in order to start operations at the mine and existing mill complex there in 2010. It currently has 46,875,689 common shares issued and outstanding.

Anglo Pacific Group PLC is a public limited company quoted on the London Stock Exchange and the Australian Stock Exchange. It generates returns for its shareholders by receiving royalties, including from coal mines in Australia operated by BHP and Rio Tinto. The strategy of Anglo Pacific is to pay a substantial proportion of these royalties to shareholders as dividends, while reinvesting the balance in strategic listed and unlisted mineral exploration and production opportunities with a view to obtaining more royalties for shareholders. Anglo Pacific is resolved to continue its policy of pursuing other mining interests by adopting an active, merchant banking approach to each project to achieve better returns at reduced risk. For further information see www.anglopacifigroup.com.

THIS PRESS RELEASE WAS PREPARED BY KINBAURI GOLD CORP. THE TSX VENTURE EXCHANGE DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

This press release contains certain forward-looking statements, which are based on the opinions and estimates of management of Kinbauri at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected. Kinbauri undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

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Kinbauri Gold’s Hub at <http://www.agoracom.com/IR/kinbauri> where investors can post questions and receive answers or review questions and answers already posted by other investors.

Kinbauri Web-Site: www.kinbauri-gold.com