

23 May 2012

Company Announcements Office
Australian Securities Exchange
Level 6, 20 Bridge Street
SYDNEY NSW 2000

Via E Lodgement

MANGANESE PROCESS PLANT DETAILED DESIGN AND COSTINGS FINALISED FOR EMMANUEL PROJECT



Zambian focused manganese exploration and mining company Kaboko Mining Limited (**ASX:KAB**) (“**Kaboko**” or the “**Company**”) is pleased to announce that it has received the finalised design and costings for the supply and construction of the manganese processing plant to be established at its Emmanuel Project in Zambia.

In January 2012, the Company appointed South African based engineering consultants to complete the design and detailed costings for the manganese processing plant to be constructed at the Emmanuel Project. The Company has now received the final detailed design and costing for the processing plant and has committed to proceed with its construction in 2H 2012, subject to finalisation of its proposed debt financing.

The planned manganese processing plant at the Emmanuel Project will allow the Company to produce 3 cleaned and classified manganese lumpy ore products (course 21%, medium 60%, and small 12%) as well as an upgraded fines product (7%) for the export markets and in satisfaction of both its existing off-take agreement with Sinosteel Australia and further off-take agreements currently under discussion.

The processing plant will consist of a modular crushing circuit, scrubber, screens and a fines cleaning and dewatering circuit. The plant has been designed as a low capital cost development to immediately allow production of saleable lumpy product. The proposed processing plant is forecast to be constructed in a 3-4 month period and will replace the existing small scale and temporary crushing plant on site. The modular nature of the plant allows for future possible upgrading and/or expansion.

Proposed expansions to the processing plant under consideration at this stage include a jigging circuit for the fine lumpy and a spirals circuit for the fines product. Those possible expansions are forecast by the Company's technical team to significantly increase the value of the saleable manganese ore products and also increase the return per tonne mined as the circuit would be able to recover alluvials present in the overburden material.

The head feed for the processing plant is designed to be 80t/h, producing an estimated 18,400t of lumpy ore per month. This is based on a 16 hour per day production cycle, 24 days per month. If plant production is on a 22 hour production cycle, the monthly output would be around 25,000mt per month, buffering the extra tonnages needed to make up for the impact of the rainy season on operations. Detailed schematics of the processing plant are attached.

The estimated total costs for the construction and erection of the process plant are ZAR10.2 million (approx. US\$1.5m) and incorporates a 20% contingency.

MANGANESE PROCESS PLANT COSTING (ZAR'000)	
1. Structural	1,122
2. Crushers	1,091
3. Vibratory Equipment	983
4. Conveyors	1,034
5. Scrubber	822
6. Cyclone, Thickener and Pumps	627
7. Electrical Supply	344
8. Transport, Civils and Erection	2,500
9. Contingency (20%)	1,704
Total	10,227

The costs of the modular processing plant are proposed to be funded from the Company's planned debt facility, where the indicative terms for up to a US\$10m debt/pre-payment facility, linked to a longer term off-take agreement have been agreed and final due diligence is being undertaken.

Yours faithfully



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