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

*Via E Lodgement*

## OFF-TAKE AGREEMENT EXECUTED WITH SINOSTEEL

### Key points:

- **Off-take agreement executed with Sinosteel, China's largest importer of manganese ore**
- **Agreement provides for exclusive offtake of an initial 180,000 tonnes of manganese ore from the Company's Zambian manganese projects**
- **Discussions continue with debt financiers for provision of up to US\$5m of debt funding to be structured against a standby letter of credit**
- **Placement completed to institutional investors to raise gross proceeds of A\$1.48m to fund mine development and exploration costs in Zambia**

Zambian focused manganese exploration and mining company Kaboko Mining Limited (**ASX:KAB**) ("**Kaboko**" or the "**Company**") is pleased to announce that it has signed a strategic offtake agreement with Sinosteel Australia Pty Ltd ("**Sinosteel**"), a subsidiary of Chinese conglomerate Sinosteel Corporation, for exports of high quality, high grade lump manganese ore to China.

Sinosteel Corporation is one of China's largest State-owned enterprises and its Australian subsidiary, Sinosteel, has played a key role in investments in Australian resource companies active in bulk commodities. Sinosteel Corporation is China's current leading importer of manganese ore and a significant importer of iron ore and chrome ore.

Under the terms of the binding off-take agreement with Sinosteel, Kaboko has agreed to sell an initial 180,000 tonnes of a minimum 48% manganese ore to Sinosteel on an exclusive basis from the Company's Zambian manganese projects and priced based on BHP's reference price (expressed in US\$ DMTU (per dry metric ton unit Mn content)), CIF China basis. First exports under the offtake agreement are forecast by the Company to commence later this year. The product will be shipped from either of the ports of Dar es Salaam in Tanzania or Beira in Mozambique, directly to China.

The finalisation of the offtake agreement follows the successful testing by Sinosteel of a trial shipment of approx. 210 tonnes of manganese ore that was shipped to Xinagang in China and which confirmed the high grade and high quality of the ore.

The landmark offtake agreement with Sinosteel is the first agreement signed by the Company in respect of its Zambian manganese projects and comes less than 6 months after shareholders approved the Company's acquisition of its interest in the Zambian manganese projects.

Commenting on the signing of the off-take agreement with Sinosteel, Kaboko Executive Director, Mr Jason Brewer, said, *"The signing of our first off-take agreement with such a well-known and significant end user is a key milestone for the Company and will significantly underpin our mining and development plans and our debt funding arrangements that we are progressing."*

The Company anticipates that production from its Emmanuel and Peco Projects in Zambia will be the primary source of product to delivered into the offtake agreement with Sinosteel. Resource definition drilling is underway at these projects and further exploration work is ongoing. Detailed mine optimisation studies at the Emmanuel Project continues with additional new mining and beneficiation equipment ordered.

The Company is also pleased to advise that in addition to the off-take agreement entered into with Sinosteel, during the quarter it has further progressed negotiations in regards to a US\$5m structured debt financing that is proposed to be used to fund new equipment purchases, complete additional mine development and fund general working capital requirements. To ensure that the Company is able to continue to accelerate its mine development plans and exploration of its manganese assets in Zambia whilst it finalizes its debt financing discussions, a placement to institutional and sophisticated investors of 74,100,000 shares at A\$0.02 each to raise A\$1,482,000 before costs (with a one for one free attaching option (\$0.03; 30 June 2013) and subject to shareholder approval) has been completed.

Yours faithfully



**JASON BREWER**  
Executive Director

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