

30 July 2012

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

Via E Lodgement

KABOKO LOCKS IN DEBT FUNDING AND LONG TERM OFF-TAKE AGREEMENT WITH NOBLE GROUP

Key Points:

- **Loan documentation executed for staged US\$10m Secured Prepayment Debt Facility with Noble Resources Limited, a subsidiary of Noble Group Limited**
- **10 year binding Manganese Ore Off-take Agreement executed for delivery of high grade manganese ore from the Company's Zambian Projects**
- **Prepayment Debt Facility to be used by the Company to fund further exploration and development of the Company's Zambian Manganese Projects through to full-scale production**

Zambian focused manganese exploration and mining company Kaboko Mining Limited (**ASX:KAB**) ("**Kaboko**" or the "**Company**") has reached a major milestone in advancing its Zambian Manganese Projects after announcing the signing of a 10 Year Manganese Ore Off-take Agreement and US\$10m 30-month Secured Prepayment Debt Facility (collectively the "**Transaction**") with Noble Resources Limited ("**Noble**").

Noble is a wholly owned subsidiary of Noble Group Limited, a global supply chain manager of agricultural and energy products and metals, minerals and ores. Noble Group is listed in Singapore (SGX:N21), with headquarters in Hong Kong and operates from over 140 locations.

The Transaction is considered by the Board to be a major step forward for the Company with the proceeds of the US\$10m Prepayment Facility to be used to complete further exploration and to advance its Zambian Manganese Projects towards full-scale commercial production of a high grade and high quality export manganese ore product.

US\$10m Prepayment Facility

The facility is to be advanced in two tranches upon satisfaction of a number of conditions precedent and subsequent:

- Tranche A - an initial advance of US\$0.5m (already received by the Company) and subject to a number of conditions subsequent including shareholder approval and ASX waivers in respect to the Transaction.
- Tranche A - a second advance of US\$5.5m, that is forecast by the Company to be drawn down later this Quarter, and upon satisfaction of a number of conditions precedent and final sign off by Noble and including, amongst other things, execution of documentation in respect to the transportation and export of manganese ore from the Company's Projects; and
- Tranche B - an advance of US\$4.0m upon delivery by the Company of 105,000 tonnes of manganese ore under the 10 Year Manganese Ore Off-take Agreement.

The key terms of the US\$10m Prepayment Facility are summarised in Appendix 1 of this announcement.

Shareholder approval is required to approve the US\$10m, 30-month Secured Prepayment Facility, the 10 Year Manganese Ore Off-take Agreement, the security to be granted by the Company and certain of its subsidiaries in favour of Noble. A Notice of Meeting will be distributed to shareholders shortly. In addition the Company is required to seek waivers from ASX in respect of Listing Rule 6.18 in respect to the equity top-up rights, of ASX Listing Rule 10.1 in respect to any transaction contemplated by the Off-take Agreement and of ASX Listing Rule 7.3.2 in respect of the transactions contemplated by the warrants. Shareholder approval and the ASX waivers are required to satisfy the conditions subsequent for Tranche A under the Transaction. If the conditions subsequent for Tranche A are not satisfied within 8 weeks the initial US\$0.5m advance will become due and repayable.

10 Year Manganese Ore Off-take Agreement

In addition to the US\$10m Prepayment Facility, the Company and Noble have also entered into a binding 10 Year Manganese Ore Off-take Agreement.

Under the terms of the Off-take Agreement, the Company will deliver to Noble approx. 180,000 DMT per year of a minimum 48% manganese lump ore from the Company's Zambian Manganese Projects on a quarterly basis over an initial 10 year term. The total amount of manganese ore to be delivered under the agreement will be no less than 1,680,000 DMT of manganese ore production from the Zambian Manganese Projects.

Manganese ore sold under the Off-take Agreement will be priced based on the BHP reference price (expressed in US\$ DMTU (per dry metric ton unit Mn content)), CIF China basis.

The Company anticipates the first exports under the Off-take Agreement to commence in the 4th Quarter 2012 with CIF deliveries to ports in India, China and the Middle East, or other ports as agreed by the parties.

Production from the Emmanuel, Peco and Kanona projects is proposed to be the primary source of high grade manganese ore product to be delivered into the Off-take Agreement with Noble. Exploration and resource definition drilling as well as further mine optimisation studies are currently underway at these projects.

Kaboko's Executive Director Jason Brewer said:

"The signing of the Off-take Agreement and execution of loan documentation for the US\$10m Prepayment Facility with Noble represents a further milestone for the Company in its plans to become an established and profitable high grade manganese ore mining and exploration company."

"Attracting such an established and strategic industry group as Noble to both invest in our business and to enter into a long term off-take agreement is a major step forward for the Company and our shareholders and is also testament to the quality and potential of our Zambian Manganese Projects. We are very pleased that we have been able to attract such a successful group as Noble to invest in the growth of our Company at such an early stage and we look forward to working with them."

As part of the Transaction a representative of Noble may be appointed to the Board of the Company following the drawing of the initial advance under Tranche A of US\$0.5m by the Company.

Empire Equity Ltd, a UK based investment banking group acted as the Company's exclusive corporate advisor in relation to the Transaction.

Yours faithfully



JASON BREWER
Executive Director

For further information please contact:

Investors/ shareholders

Jason Brewer
Executive Director
T: +61 8 9488 5220

E: info@kabokominig.com
W: www.kabokominig.com

Media

David Tasker
Professional Public Relations
T: +61 8 9388 0944

About Kaboko Mining Limited

Kaboko Mining Limited (ASX:KAB) is a an ASX listed exploration, development and mining company primarily focused on establishing itself as a major producer and exporter of high grade manganese ore from its portfolio of assets in Zambia. Kaboko currently holds majority interests in 5 large scale prospecting licenses and 3 small scale mining licenses covering over 2,700km² in established and highly prospective manganese mining regions in Zambia. The Company is focused on resource definition drilling and exploration across its large license holdings and establishing long-term sustainable production of a high grade and high quality manganese ore from its Emmanuel, Peco and Kanona Projects. In 2012 the Company has concluded strategic off-take and funding agreements with Sinosteel Australia Limited and Noble Resources Limited that are proposed to be used to complete further exploration and to advance its projects towards full-scale commercial production.

Forward Looking Statement

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the manganese market, expectations regarding manganese ore prices, production, cash costs and other operating results, growth prospects and the outlook of Kaboko's operations including the likely commencement of commercial operations of the Emmanuel, Peco and Kanona Projects, its liquidity and the capital resources and expenditure, contain or comprise certain forward-looking statements regarding the Company's development and exploration operations, economic performance and financial condition. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in manganese ore prices and exchange rates and business and operational risk management. For a discussion of such factors, refer to the Company's most recent annual report and half year report. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Appendix 1

The key terms of the US\$10m Prepayment Facility are summarised below:

- (a) The proceeds are to be used to facilitate production of manganese from the Company's manganese licenses held in Zambia and for general corporate purposes
- (b) Noble shall be granted the rights to off-take of not less than 1,680,000 DMT from the Company's Zambian Projects over a 10 year period. Noble will also have a right to match future offtakes and the parties will consider further the possibility for Noble to increase the offtake rights and/or perform life of mine marketing services for a marketing fee to be agreed
- (c) The facility will be secured by a charge over the Company's assets and capital and its shares in its Mauritius and other Zambian subsidiaries
- (d) The maturity of the facility is 30 months from the closing date of each of the tranches respectively
- (e) The facility will be partially repaid by setting off amounts owed by Noble to the Company from quarterly deliveries of manganese ore under the Off-take Agreement. The remainder of the facility including interest and other costs will be repaid at the maturity of the facility.
- (f) Interest is payable at LIBOR plus a fixed margin per annum.
- (g) The Company will issue warrants to Noble, which at the time of issue is the lesser of:
 - (i) 14.9% of the total issued share capital of the Company; or
 - (ii) 20% of the facility amount
- (h) The warrants will be subject to shareholder approval and will be issued on drawdown of each tranche (subject to the Company obtaining a waiver for issue of the any options outside the 3 month period following shareholder approval)
- (i) The warrants will have with an exercise price of A\$0.02 and are exercisable at any time within 36 months from the drawdown of the initial tranche
- (j) In addition Noble will have an additional top-up right to maintain its equity position on a fully diluted basis in any future equity raisings by the Company on the same terms offered to the Company's current or new equity investors, subject to ASX approval
- (k) Noble will also have the right to appoint a representative to the Company's board of directors and may replace that representative from time to time