



7 August 2013

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

Via E Lodgement

Letters to Shareholders and Expired Optionholders

Please find attached letters to Shareholders and Expired Optionholders with respect to Kaboko Mining Ltd's ("**Kaboko**" or the "**Company**") underwritten, non-renounceable entitlement issue, to raise up to \$292,416.

If you have any queries in relation to the offer, please contact Kaboko's Company Secretary on +61 9488 5220.

For and on behalf of the Board

Tokkas Van Heerden
CEO

For further information please contact:

Investors | Shareholders

Shannon Robinson
Director | Corporate Relations
T: +61 8 9488 5220

Media

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

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

About Kaboko Mining Limited

Kaboko Mining Limited (ASX:KAB) is 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 2 small scale mining licenses covering over 2,700km² in established and highly prospective manganese mining regions in Zambia. The Company is focused on the development of its large license holdings and establishing long-term sustainable production of a high grade and high quality manganese ore initially from its Mansa, Northern Zambian Projects. In 2012 the Company 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.

7 August 2013

Dear Eligible Shareholder

Kaboko Mining Ltd - pro-rata non-renounceable rights issue to Eligible Shareholders

As announced on 29 July 2013, Kaboko is undertaking a pro rata non-renounceable rights issue of one (1) option (**New Options**) for every three (3) fully paid ordinary shares held in Kaboko by shareholders at the Record Date to raise approximately \$292,416 (**Rights Issue** or **Offer**). The price of New Options under the Offer is \$0.001 each (**Issue Price**). Kaboko lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 2 August 2013.

The Offer is fully underwritten by Komodo Capital Pty Limited (AFSL 344234) (**Underwriter**). Kaboko must pay the Underwriter an underwriting fee of 6% of the total amount to be raised pursuant to the Offer. Kaboko must also reimburse the Underwriter for costs incidental to the Offer.

The funds raised from the Offer are planned to be used as set out below:

Proceeds of the Offer	Full Subscription (\$)	%
Exploration and Development on the Company's Zambian project	231,876	79.3%
Expenses of the Offer ¹	34,223	11.7%
Working capital	26,317	9%
Total	292,416	100%

The above table is a statement of current intentions as of the date of the Prospectus. As with any budget, intervening events including exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Kaboko board of directors reserves the right to alter the way funds are applied on this basis.

The Offer is being made to all shareholders of Kaboko named on its register of members at 5.00pm (WST) on 14 August 2013, whose registered address is in Australia or New Zealand (**Eligible Shareholders**). Any shortfall under the Offer will first be offered to former holders of options in the Company which have now expired (which had an exercise price of \$0.03 per option and an expiry date of 30 June 2013) (**Expired Options**) on the basis of 1 (one) New Option for every two (2) Expired Options held as at 30 June 2013. As such, the Prospectus will be sent to each previous holder of Expired Options at the same time as it is sent to Shareholders. Any New Options issued under the shortfall will be allocated to former holders of Expired Options in preference to allocating New Options to the Underwriter.

The New Options will be issued on the terms and conditions set out in Annexure A to this letter.

Following completion of the Offer, Kaboko will have issued 292,415,898 New Options resulting in total Options on issue of the same number.

A copy of the Prospectus is available on ASX's and Kaboko's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 16 August 2013. Your

entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Options.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for New Options pursuant to the Prospectus (**Entitlement**). To take up all or some of your Entitlement you will need to ensure your application money for the Entitlement you wish to take up is received by the Company by no later than 5.00pm (WST) on 30 August 2013, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on your Entitlement and Acceptance Form OR making a payment to the Company by Bpay in accordance with the instructions on your Entitlement and Acceptance Form.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlement you wish to take up is received by the Company by no later than 5.00pm (WST) on 30 August 2013, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Options you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency for the appropriate application monies OR making a payment to the Company by Bpay in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.001 per New Option).
- You may do nothing. If you choose to do nothing with your Entitlement, while you will continue to hold the same number of shares in Kaboko, your interest in Kaboko will be diluted upon the future exercise of New Options and you will receive no value for your Entitlement.

Key dates for the Offer

Event	Proposed Date
Existing shares quoted on an 'ex' basis	8 August 2013
Record date	14 August 2013
Despatch of Rights Issue Documents to Eligible Shareholders and holders of Expired Options	16 August 2013
Offer Period and Shortfall Offer Period Opens	
Offer Period and Shortfall Offer Period Closes	30 August 2013
Securities quoted on a deferred settlement basis.	2 September 2013
Notification of under-subscriptions to ASX (if any)	4 September 2013
New Options Issued	9 September 2013
Holding statements despatched	



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If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Options, please contact your financial adviser or Kaboko's Company Secretary on +61 8 9488 5220.

Yours sincerely

Shannon Robinson
Director and Joint Company Secretary



ANNEXURE A – TERMS AND CONDITIONS OF THE NEW OPTIONS

The Options to be issued pursuant to the Prospectus entitle the holder to subscribe for shares in Kaboko (**Shares**) on the following terms and conditions:

- (a) Subject to paragraph (k), each Option gives the Optionholder the right to subscribe for one Share.
 - (b) The Options will expire at 5.00pm (WST) on 31 August 2016 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - (c) The amount payable upon exercise of each Option will be \$0.012 (**Exercise Price**).
 - (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
 - (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (Exercise Notice).**
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
 - (h) The Company will apply for quotation of the Options on ASX and all Options are freely transferable.
 - (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
 - (j) The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
 - (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
 - (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
 - (m) Subject to paragraph (k), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

7 August 2013

Dear Ineligible Shareholder

Kaboko Mining Ltd - pro-rata non-renounceable rights issue

As announced on 29 July 2013, Kaboko is undertaking a pro rata non-renounceable rights issue of one (1) option (**New Options**) for every three (3) fully paid ordinary shares held in Kaboko by shareholders at the Record Date to raise approximately \$292,416 (**Rights Issue** or **Offer**). The price of New Options under the Offer is \$0.001 each (**Issue Price**). Kaboko lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 2 August 2013.

The Offer is fully underwritten by Komodo Capital Pty Limited (AFSL 344234) (**Underwriter**). Kaboko must pay the Underwriter an underwriting fee of 6% of the total amount to be raised pursuant to the Offer. Kaboko must also reimburse the Underwriter for costs incidental to the Offer.

The funds raised from the Offer are planned to be used as set out below:

Proceeds of the Offer	Full Subscription (\$)	%
Exploration and Development on the Company's Zambian project	231,876	79.3%
Expenses of the Offer ¹	34,223	11.7%
Working capital	26,317	9%
Total	292,416	100%

The above table is a statement of current intentions as of the date of the Prospectus. As with any budget, intervening events including exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Kaboko board of directors reserves the right to alter the way funds are applied on this basis.

The Offer is being made to all shareholders of Kaboko named on its register of members at 5.00pm (WST) on 14 August 2013, whose registered address is in Australia or New Zealand (**Eligible Shareholders**). Any shortfall under the Offer will first be offered to former holders of options in the Company which have now expired (which had an exercise price of \$0.03 per option and an expiry date of 30 June 2013) (**Expired Options**) on the basis of 1 (one) New Option for every two (2) Expired Options held as at 30 June 2013. As such, the Prospectus will be sent to each previous holder of Expired Options at the same time as it is sent to Shareholders. Any New Options issued under the shortfall will be allocated to former holders of Expired Options in preference to allocating New Options to the Underwriter.

The New Options will be issued on the terms and conditions set out in Annexure A to this letter.

Following completion of the Offer, Kaboko will have issued 292,415,898 New Options resulting in total Options on issue of the same number.

Ineligible shareholders

A Shareholder who has a registered address outside Australia or New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Offer.



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You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia or New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Options to which they would otherwise be entitled.

If you have any queries concerning the Rights Issue, please contact your financial adviser or Jane Flegg, Kaboko's Company Secretary, on +61 8 9488 5220.

Yours sincerely

Shannon Robinson
Director and Joint Company Secretary



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- (a) Subject to paragraph (k), each Option gives the Optionholder the right to subscribe for one Share.
 - (b) The Options will expire at 5.00pm (WST) on 31 August 2016 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - (c) The amount payable upon exercise of each Option will be \$0.012 (**Exercise Price**).
 - (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
 - (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (iii) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (iv) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (Exercise Notice).**
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
 - (h) The Company will apply for quotation of the Options on ASX and all Options are freely transferable.
 - (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
 - (j) The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
 - (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
 - (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
 - (m) Subject to paragraph (k), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

7 August 2013

Dear Expired Optionholder

Kaboko Mining Ltd - pro-rata non-renounceable rights issue – Shortfall Offer to Expired Optionholders

Our records show that you are a previous holder of options in Kaboko Mining Ltd (ACN 107 316 683) (**Kaboko** or the **Company**) which have now expired (which had an exercise price of \$0.03 per option and an expiry date of 30 June 2013) (**Expired Options**).

As announced on 29 July 2013, Kaboko is undertaking a pro rata non-renounceable rights issue of one (1) option (**New Options**) for every three (3) fully paid ordinary shares held in Kaboko by shareholders at the Record Date to raise approximately \$292,416 (**Rights Issue** or **Offer**). The price of New Options under the Offer is \$0.001 each (**Issue Price**). Kaboko lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 2 August 2013.

The Offer is fully underwritten by Komodo Capital Pty Limited (AFSL 344234) (**Underwriter**). Kaboko must pay the Underwriter an underwriting fee of 6% of the total amount to be raised pursuant to the Offer. Kaboko must also reimburse the Underwriter for costs incidental to the Offer.

The Offer is being made to all shareholders of Kaboko named on its register of members at 5.00pm (WST) on 14 August 2013, whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Any shortfall under the Offer will first be offered to former holders of Expired Options whose registered address is in Australia or New Zealand on the basis of 1 (one) New Option for every two (2) Expired Options held as at 30 June 2013 (Shortfall Offer). The Shortfall Offer is also made pursuant to the Prospectus and will close on the same date as the Offer closes and, as such, the Prospectus will be sent to each previous holder of Expired Options at the same time as it is sent to Shareholders. The issue price of New Options under the Shortfall Offer shall be \$0.001 being the price at which New Options have been offered under the Offer. Any New Options issued under the shortfall will be allocated to former holders of Expired Options in preference to allocating New Options to the Underwriter.

The New Options issued under the Shortfall Offer will be issued on the terms and conditions set out in Annexure A to this letter.

Following completion of the Offer, Kaboko will have issued 292,415,898 New Options resulting in total Options on issue of the same number.

The funds raised from the Offer are planned to be used as set out below:

Proceeds of the Offer	Full Subscription (\$)	%
Exploration and Development on the Company's Zambian project	231,876	79.3%
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Total	292,416	100%

The above table is a statement of current intentions as of the date of the Prospectus. As with any budget, intervening events including exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Kaboko board of directors reserves the

right to alter the way funds are applied on this basis.

A copy of the Prospectus is available on ASX's and Kaboko's website. Previous holders of Expired Options will be mailed a Prospectus together with a Shortfall Application Form no later than 16 August 2013. Your entitlement will be set out on the personalised Shortfall Application Form accompanying the Prospectus. **A previous holder of Expired Options should consider the entire contents of the Prospectus in deciding whether to acquire any New Options pursuant to the Shortfall Offer.**

For the purposes of calculating each Expired Optionholder's entitlement pursuant to the Shortfall Offer, fractions of entitlements have been rounded up to the nearest whole number of New Options.

Actions required of previous holders of Expired Options

There are a number of actions previous holders of Expired Options may take:

- You may wish to accept all of your rights to subscribe for New Options pursuant to the Shortfall Offer under the Prospectus (**Entitlement**). To take up all or some of your Entitlement you will need to ensure your application money for the Entitlement you wish to take up is received by the Company by no later than 5.00pm (WST) on 30 August 2013, by completing and returning your Shortfall Application Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on your Shortfall Application Form OR making a payment to the Company by Bpay in accordance with the instructions on your Shortfall Application Form.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlement you wish to take up is received by the Company by no later than 5.00pm (WST) on 30 August 2013, by completing and returning your Shortfall Application Form by filling in the number of New Options you wish to accept in the space provided on the Shortfall Application Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency for the appropriate application monies OR making a payment to the Company by Bpay in accordance with the instructions on your Shortfall Application Form (at \$0.001 per New Option).
- You may do nothing if you do not wish to participate in the Shortfall Offer.

Key dates for the Shortfall Offer

Event	Proposed Date
Existing shares quoted on an 'ex' basis	8 August 2013
Record date	14 August 2013
Despatch of Rights Issue Documents to Eligible Shareholders and holders of Expired Options	16 August 2013
Offer Period and Shortfall Offer Period Opens	
Offer Period and Shortfall Offer Period Closes	30 August 2013
Securities quoted on a deferred settlement basis.	2 September 2013
Notification of under-subscriptions to ASX (if any)	4 September 2013
New Options Issued	9 September 2013
Holding statements despatched	



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If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Options, please contact your financial adviser or Kaboko's Company Secretary on +61 8 9488 5220.

Yours sincerely

Shannon Robinson
Director and Joint Company Secretary



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 - (b) The Options will expire at 5.00pm (WST) on 31 August 2016 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - (c) The amount payable upon exercise of each Option will be \$0.012 (**Exercise Price**).
 - (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
 - (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (v) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (vi) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (Exercise Notice).**
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
 - (h) The Company will apply for quotation of the Options on ASX and all Options are freely transferable.
 - (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
 - (j) The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
 - (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
 - (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
 - (m) Subject to paragraph (k), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.