

30 May 2013

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

Via E Lodgement

Notice of General Meeting

Kaboko Mining Limited (“**Kaboko**” or “**the Company**”) is holding a General Meeting of Shareholders on Friday, 28 June 2013.

Please find below the Notice of General Meeting as despatched to shareholders of the Company.

For and on behalf of the Board



Shannon Robinson
Director

For further information please contact:

Investors | Shareholders

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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.

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, Kanona and Mansa, Northern Zambian 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.



KABOKO
MINING LTD
ABN 93 107 316 683

Kaboko Mining Ltd
ABN 93 107 316 683

Notice of General Meeting

TIME: 10.00am (WST)

DATE: Friday, 28 June 2013

PLACE: Formal Dining Room, the University Club of WA, Hackett Drive, Crawley, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9488 5220.

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Important Information

Venue

Notice is given that the General Meeting of Shareholders of Kaboko Mining Ltd which this Notice of Meeting relates to will be held on **Friday, 28th June 2013 at 10.00am (WST)** at:

The Formal Dining Room, the University Club of WA, Hackett Drive, Crawley, Western Australia

Your Vote Is Important

The business of the General Meeting affects your shareholding and your vote is important.

Voting in Person

To vote in person, attend the General Meeting on the date and at the place set out above. The meeting will commence at **10.00am (WST)**.

Voting by Proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by **5.00pm (WST)** on **Wednesday, 26th June 2013** and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Business of the Meeting

Notice is given that the General Meeting of Shareholders of Kaboko Mining Ltd will be held at the Formal Dining Room, **The University Club of WA, Hackett Drive, Crawley, Western Australia** at **10.00am** (WST) on **Friday, 28th June 2013 (Meeting)**.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company as at 5.00pm on Wednesday, 26th June 2013.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the glossary or in the Explanatory Statement.

Agenda

The Explanatory Statement to this Notice of Meeting describes the matters to be considered at the General Meeting.

Ordinary Business

Resolution 1 – Approval of Issue of Warrants

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.1 of the ASX Listing Rules and for all other purposes, Shareholders approve the issue of up to 100,000,000 Warrants on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associates of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 – Ratification of Prior Issue of Shares and Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 23,666,667 Shares and 23,666,667 Options exercisable at \$0.02 each on or before 31 December 2014 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 3 – Ratification of Prior Issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 60,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 4 – Approval for the Issue of Options

To consider and, if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 60,000,000 Options exercisable at \$0.01 each on or before 31 January 2016 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 5 – Approval for the Issue of Shares

To consider and, if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 100,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 6 – Approval of Employee Share Plan

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled “Kaboko Mining Employee Share Plan” and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated this 30th day of May 2013

By order of the Board



Shannon Robinson
Director

Notes:

A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder’s voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.

For the purposes of the *Corporations Regulations 2001 (Cth)*, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot date is 5.00pm (WST) on 26 June 2013. Accordingly, transactions registered after this time will be disregarded in determining entitlements to attend and vote at the meeting.

Enquiries:

Shareholders are invited to contact the Company on +61 8 9488 5220 if they have any queries in respect of the matters set out in these documents.

Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the Meeting of the Company to be held on Friday, 28th June 2013.

The purpose of this Explanatory Statement is to provide Shareholders with information that the Board believes to be material to Shareholders in deciding whether or not to approve the above resolutions detailed in the Notice.

This Explanatory Statement is an important document and should be read carefully in full by all Shareholders. If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

1. Resolution 1 – Approval of Issue of Warrants

1.1 Background

As announced to the ASX on 30 July 2012, the Company entered into a US\$10 million secured prepayment debt facility (**Facility Agreement**) with Noble Resources Ltd (**Noble Transaction**). Pursuant to a novation letter dated 12 December 2012 Noble Resources Ltd novated its rights and obligations to Noble Resources International Pte. Ltd. (**Noble**). The facility pursuant to the Facility Agreement was to be advanced to Kaboko in two separate tranches and upon satisfaction of a number of conditions precedent and conditions subsequent.

In addition the Company entered into an Offtake Agreement with Noble for the purchase and sale of high grade Manganese ore from the Zambian Manganese Projects (**Offtake Agreement**). The Offtake Agreement is conditional upon the satisfaction of certain of the conditions to the Facility Agreement.

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 Limited is listed in Singapore.

In December 2012, the Facility Agreement and Offtake Agreement were varied by deeds of amendment, to extend the date by which the various conditions precedent and subsequent were required to be satisfied by and to extend the offtake to 180,000DMT of manganese ore production per annum from the Zambian Manganese Projects over the life of the project mines. Full details of the amendments to the Facility Agreement and Offtake Agreement have been incorporated in the summary of the respective agreements set out below.

In Q1 2013, the first tranche of funding pursuant to the Facility Agreement was completed with drawdowns of US\$1 million in January 2013 and a further drawdown of US\$3 million in March 2013 (an initial amount of US\$0.5 million having been drawn down in July 2012).

The Company sought shareholder approval of the Offtake Agreement and the security provided pursuant to the Facility Agreement (**Transaction Documents**) as well as the issue of Warrants pursuant to the Facility Agreement which approvals were all obtained at its Annual General Meeting on 27 November 2012. It is noted that the Warrants that approval was granted for have not been issued by the Company.

As noted above, the terms of the Noble Transaction have subsequently been varied and the first tranche of funding pursuant to the Facility Agreement, being US\$4.5 million, has now been fully drawn down.

The Company is seeking shareholder approval to issue the Warrants pursuant to the Facility Agreement pursuant to Resolution 1 in order to vary the warrant instrument agreement entered into so that the exercise price of the Warrants is now 1.2 cents.

1.2 Issue of Warrants

Pursuant to the Facility Agreement, the Company has agreed to issue that number of Warrants to Noble which at the time of issue, when aggregated with any warrants previously issued to Noble pursuant to the Facility Agreement, is the lesser of:

- (a) 14.9% of the total issued share capital of Kaboko; and
- (b) an amount calculated using the following formula:

$$W = \frac{\$A}{\$0.012} \times 20\%$$

where:

A is the aggregate of all outstanding advances under the Facility Agreement; and

W is the number of warrants to be issued.

As the maximum amount that can be drawn down under the Facility Agreement is \$10,000,000, the minimum number of Warrants that can be issued pursuant to the Facility Agreement is 100,000,000.

Resolution 1 seeks Shareholder approval for the issue of up to 100,000,000 Warrants pursuant to the Facility Agreement.

ASX Listing Rule 7.1 provides that a company must not without shareholder approval, subject to specified exceptions, issue or agree to issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Further, ASX Listing Rule 7.3.2 provides that for Shareholders to approve an issue of equity securities, this Notice must include the date by which the Company will issue the securities, such date being no later than 3 months after the date of the meeting. The Company has been granted a waiver from ASX Listing Rule 7.3.2 from the ASX to the extent necessary to permit the Warrants to be issued at a date more than 3 months after the date of this meeting. One of the conditions of this waiver is that the Warrants are issued no later 28 November 2017. Please see sub-section (b) below for further details.

The effect of Resolution 1 will be to allow the Company to issue the Warrants pursuant to the Facility Agreement during the period of 5 years after the meeting, without using the Company's 15% annual placement capacity.

1.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the maximum number of Warrants to be issued is 100,000,000 as follows:
 - (i) up to 45,000,000 Warrants pursuant to Tranche 1 of the Facility Agreement; and

- (ii) up to 55,000,000 Warrants pursuant to Tranche 2 of the Facility Agreement;
- (b) the Warrants will be issued following grant of shareholder approval in respect of Tranche 1 pursuant to the Facility Agreement, and within 5 business days of each drawdown of an advance under Tranche 2 pursuant to the Facility Agreement, such issues occurring no later than 28 November 2017. As stated above, the Company has been granted a waiver from ASX Listing Rule 7.3.2 from the ASX to the extent necessary to permit the Warrants to be issued at a date more than 3 months after the date of this meeting allowing the Company to issue the Warrants at any time during the period up to 28 November 2017 (covering the availability period of the facility pursuant to the Facility Agreement). Tranche 2 of the Facility Agreement is available (subject to completion of certain conditions precedent) until 28 November 2017. The maximum time period in which all the Warrants will be issued is therefore up to 28 November 2017. The Directors intend to allot Warrants on the same date upon which Warrants are issued;
- (c) the Warrants will be issued for nil cash consideration and therefore no funds will be raised from their issue. The Warrants will be issued as consideration for the provision of the facility pursuant to the Facility Agreement;
- (d) the Warrants will be issued to Noble (or its nominee), who is not a related party of the Company at the date of this Notice; and
- (e) the Warrants will be issued on the terms and conditions set out in Annexure A.

A voting exclusion statement is included in the Notice.

2. Resolution 2 – Ratification of Prior Issue of Shares and Options

2.1 General

In September 2012, the Company entered into a convertible note facility with Celtic Capital Pty Ltd (**Celtic**) for \$1 million which was approved at the Company's annual general meeting (**Convertible Note**). The parties subsequently agreed to extend the initial maturity for conversion of the Convertible Note from late 2012 to 31 March 2013. In consideration for this extension, the Company issued 23,666,667 shares and 23,666,667 unlisted options exercisable at \$0.02 on or behalf 31 December 2014 to Celtic.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the equity securities.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. This rule provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 23,666,667 Shares and 23,666,667 Options were issued to Celtic, which is not a related party of the Company, in respect of the extension of the Convertible Note;
- (b) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Options issued exercisable at \$0.01 each on or before 31 January 2016 and otherwise on the terms and conditions set out in Annexure B; and
- (d) the Shares and the Options issued were issued for nil cash consideration in respect of the extension of the Convertible Note and accordingly no funds were raised from this issue of securities.

3. Resolution 3 – Ratification of Prior Issue of Shares

3.1 General

In March 2013 the Company completed a placement to sophisticated investors raising \$600,000 by way of issue of 60,000,000 shares at \$0.01 per share (**Placement**). In addition, the Company agreed to issue attaching unlisted options to investors which is the subject of resolution 4.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the equity securities.

A summary of ASX Listing Rules 7.1 and 7.4 are set out in section 5 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 60,000,000 Shares were issued to sophisticated investors identified by the Company and its advisors, which are not related parties of the Company;
- (b) the Shares were issued for \$0.01 each;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

- (d) the funds raised from the issue of the Shares were used for further exploration and development activities across its Zambian manganese projects, other opportunities and general working capital.

4. Resolution 4 – Approval of Issue of Options

4.1 General

Pursuant to the Placement completed in March 2013, the Company agreed to issue unlisted options to investors. Resolution 4 seeks Shareholder approval for the issue of securities as set out below.

A summary of ASX Listing Rule 7.1 is set out in section 2 above.

The effect of Resolution 4 will be to allow the Directors to issue the Shares during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Specific information required by ASX Listing Rules 7.1 and 7.3

If the Shares have not been issued prior to the General Meeting and Shareholder approval is sought for the purposes of ASX Listing Rule 7.1, then following information is provided in relation to the issue in accordance with ASX Listing Rule 7.3.

- (a) the maximum number of options to be issued is 60,000,000 Options;
- (b) the Options will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue will occur in one tranche on the same date;
- (c) the Options will be issued to sophisticated investors who participated in the Placement;
- (d) the Options issued will be exercisable at \$0.01 on or before 31 January 2016 and others issued on the terms and conditions set out in Annexure D;
- (e) the Options will be issued for nil cash consideration and accordingly no funds were raised from this issue of securities.

5. Resolution 5 – Approval of Issue of Shares

5.1 Background

On 31 December 2011 the Company entered into a debt facility with Crown Mercantile Limited (**Crown**) to provide funding for exploration and development activities across the Company's Zambian manganese projects, other opportunities and general working capital to the Company following the acquisition of the Zambian Projects and during the period prior to completion of funding pursuant to the Noble Transaction.

The debt facility provides for an ongoing drawn down facility of up to \$2 million repayable on or before 30 June 2014. The interest rate payable on the facility is 10% per year and the facility is secured by way of a corporate guarantee and undertaking as set out in the annual report for the financial year ended 30 June 2012. As at 31 December 2012, the amount drawn against the facility

was \$1,726,876 including interest as set out in the half year financial report for the period ended 31 December 2012. In May 2013 the parties agreed to convert \$1 million of the debt to fully paid ordinary shares on the same terms as the Placement being \$0.01 per share, subject to shareholder approval, as well as agreeing to extend the term of the facility and repayment date to 30 June 2014.

A summary of ASX Listing Rule 7.1 is set out in section 5 above.

Resolution 5 seeks Shareholder approval for the issue of securities as set out below.

The effect of Resolution 5 will be to allow the Directors to issue the Shares during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 Specific information required by ASX Listing Rules 7.1 and 7.3

If the Shares have not been issued prior to the General Meeting and Shareholder approval is sought for the purposes of ASX Listing Rule 7.1, then following information is provided in relation to the issue in accordance with ASX Listing Rule 7.3.

- (a) the maximum number of shares to be issued is 100,000,000 Shares;
- (b) the Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue will occur in one tranche on the same date;
- (c) the issue price will be \$0.01 per Share;
- (d) the Shares will be issued to Crown or its nominees, which will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Shares will be issued for nil cash consideration as conversion of existing debt and accordingly no funds were raised from this issue of securities.

6. Resolution 6 – Approval of Employee Share Plan

Resolution 6 seeks Shareholder approval for the adoption of the employee incentive scheme titled Kaboko Mining Employee Share Plan (**Share Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)). The Share Plan allows the Board to invite eligible employees to apply for Shares under the Share Plan (**Plan Shares**) from time to time. The issue price of Plan Shares is to be determined by the Board at its discretion.

A summary of ASX Listing Rule 7.1 is set out in section 1.1 of this Explanatory Statement. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

As at the date of this Notice, no shares have been issued under the Share Plan.

If Resolution 6 is passed, the Company will be able to issue Shares under the Share Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

The objective of the Share Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Share Plan and the future issue of Shares under the Share Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Shares under the Share Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Share Plan is set out in Annexure D. In addition, a copy of the Share Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Share Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

Responsibility for Information

The information concerning the Company contained in this Explanatory Statement, including information as to the views and recommendations of the Directors has been prepared by the Company and is the responsibility of the Company.

The Explanatory Statement does not take into account the individual investment objectives, financial situation and particular needs of individual Shareholders. If you are in doubt as to what you should do, you should consult your legal, financial or professional advisor prior to voting.

Glossary

In this Explanatory Statement, the following terms have the following unless the context otherwise requires:

AAMD means the Company's wholly owned Mauritian subsidiary African Asian Mining Development Limited.

Annexure means an annexure to this Explanatory Statement.

ASIC means Australian Securities Investment Commission.

ASX means ASX Limited ABN 98 008 624 691.

ASX Listing Rules or Listing Rules means the listing rules of ASX.

Board means the board of Directors of the Company.

Chairman means the Chairman of the Company.

Company or Kaboko means Kaboko Mining Limited ABN 93 107 316 683.

Constitution means the constitution of the Company.

Convertible Note means the convertible note facility with Celtic Capital Pty Ltd for \$1 million.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Emmanuel Project the manganese project licenses in Southern Zambia near Kabwe.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Facility Agreement means the facility agreement entered into between the Company and Noble, as varied by subsequent deeds of amendment.

Mansa Project means the manganese project licenses in Northern Zambia near Mansa.

Noble means Noble Resources International Pte. Ltd., a wholly owned subsidiary of Noble Group Limited.

Noble Transaction means the transaction between the Company and Noble in respect of a US\$10 million secured prepayment debt facility and long term manganese ore offtake facility for the development of the Zambian Manganese Projects.

Option means a listed option in the capital of the Company.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Offtake Agreement means the offtake agreement entered into between the Company and Noble, as varied by subsequent deeds of amendment.

Placement means the placement to sophisticated investors completed in March 2013.

Plan Shares means the Shares that may be applied for pursuant to the Share Plan.

Serenje Project means the manganese project licenses in Central Zambia near Serenje.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Share Plan means the employee incentive scheme titled Kaboko Mining Employee Share Plan.

Transaction Documents means the Facility Agreement, the Offtake Agreement and associated security documents.

Warrant means an unlisted warrant in the capital of the Company issued on the terms and conditions set out in Annexure A.

Zambian Manganese Projects means the Mansa Project, Emmanuel Project and Kanona Project.

Annexure A – Warrant Terms and Conditions

The Warrants entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Warrant gives the holder the right to subscribe for one (1) Share.
- (b) Each Warrant will expire at 5.00pm (WST) on the date being the 30 month anniversary of the date of issue (**Expiry Date**). A Warrant not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) Subject to paragraph (k), the amount payable upon exercise of each Warrant will be \$0.012 (**Exercise Price**).
- (d) The Warrants held by each holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) A holder may exercise their Warrants by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Warrants specifying the number of Warrants being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Warrants 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 Warrants specified in the Exercise Notice.
- (h) The Warrants shall not be transferable except with prior written consent of the Board.
- (i) All Shares allotted upon the exercise of Warrants will upon issue rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Warrants on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Warrants on ASX within 10 Business Days after the date of issue of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of a holder 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 Warrants and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Warrants without exercising the Warrants.
- (m) A Warrant does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Warrants can be exercised.

Annexure B – Option Terms and Conditions

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5.00pm (WST) on or before 31 December 2014 (**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 \$0.02 (**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) The 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 Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon issue rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, 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 issue 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) 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.

Annexure C – Terms of Placement Options

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5.00pm (WST) on or before 31 January 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 \$0.01 (**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) The 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 Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon issue rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, 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 issue 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) 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.

Annexure D – Summary of the Terms of the Employee Share Plan

1.	Eligible Employee	An Eligible employee is a full or part-time employee or Director of the Company or a related body corporate (Eligible Employees).
2.	Offers	Subject to the rules of the Employee Share Plan, the Board may invite Eligible Employees to apply for Plan Shares. The number and issue price of Plan Shares will be determined by the Board in its discretion.
3.	Rights of Plan Shares	Each Plan Share issued under the Employee Share Plan ranks equally with all other Shares issued by the Company. Each holder of a Plan Share is entitled to all voting rights, rights to dividends, and rights to participate in bonus issues and rights issues made by the Company on the same basis as other Shareholders.
4.	ASX quotation	The Company will apply for official quotation on ASX on the issue of Plan Shares.
5.	Restrictions on transfer	The Board may, at its discretion, require a participant to agree to not sell, transfer or assign the Plan Shares for 12 months after the date of issue. During such restriction period, the Plan Shares will be subject to a holding lock.
6.	Amendments	The Board may make such amendments to the Employee Share Plan as it sees fit.
7.	Limitation on number of Plan Shares	Plan Shares when aggregated with the number of Shares issued during the five years under any other employee share plan of the Company must not exceed 5% of the total number of Shares on issue at the time of the relevant invitation. Various excluded offers may be disregarded so as to not count for the 5% limit.
8.	Operation	The operation of the Employee Share Plan is subject to the laws of Western Australia.