

2 August 2013

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

Via E Lodgement

LETTER TO OPTION HOLDERS

Please find attached a copy of the letter sent to Kaboko Mining Limited's option holders in relation to the non-renounceable entitlement issue announced by Kaboko Mining Limited on 29 July 2013.

For and on behalf of the Board



Tokkas Van Heerden
CEO

For further information please contact:

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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.

2 August 2013

Dear Optionholder

Kaboko Mining Ltd – Underwritten Entitlement Issue

Further to the ASX announcement dated 29 July 2013, Kaboko Mining Ltd (**Company**) are pleased to confirm that the Company will undertake an underwritten, non-renounceable entitlement issue of up to approximately 292,415,898 new listed options (**Entitlement Issue**) under which its shareholders will be offered one (1) listed option (**New Option**) for every three (3) fully paid ordinary shares held at 5.00pm (Perth time) on 14 August 2013 (**Record Date**) at an issue price of 0.1 cents (\$0.001) per New Option, with any fractional entitlements being rounded up.

Each New Option shall have an exercise price of 1.2 cents (\$0.012) and is exercisable at any time on or before 31 August 2016. All of the Shares issued upon exercise of the New Options will rank equally with all other fully paid ordinary shares of the Company, including in respect of dividends, from the date of allotment.

The Entitlement Issue will raise up to approximately \$292,416 before costs. The funds will be used for exploration and development on the Company's Zambian project, expenses of the offer and working capital.

Under the terms and conditions of the options that you currently hold, there is no entitlement to participate in the Entitlement Issue. In order to participate in the Entitlement Issue in relation to any options that you hold, you must exercise those options in accordance with the terms of your options, prior to the Record Date.

Please note that it is not compulsory to exercise your options. If you do wish to exercise your options, you may do so by completing all of the steps required by the terms and conditions of those options, including payment of the relevant exercise price.

Please consult your stockbroker, solicitor, accountant or other financial adviser if you are in any doubt as to the value of the Entitlements Issue.

If you have any questions, please contact me on (08) 9488 5220 or by email jane@kabokominig.com.

Yours sincerely



Jane Flegg
Company Secretary