

5 August 2013

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

Via E Lodgement

AMENDMENT TO SHORTFALL OFFER TO EXPIRED OPTIONHOLDERS

Further to Kaboko Mining Ltd's ("**Kaboko**" or the "**Company**") Entitlement Issue Prospectus for a non-renounceable entitlement issue, to raise up to \$292,416 by way of the issue of 292,415,898 Options lodged earlier today ("**Entitlement Issue**"), the Company wishes to advise that the offer to former Option holders (\$0.03, 30 June 2013 ("**Expired Options**")) has been amended. Former Option holders are now entitled to participate in the priority Shortfall Offer on the basis of 1 New Option for every 2 Expired Options held as at 30 June 2013.

The New Options will be exercisable at \$0.012 on or before 31 August 2016 ("**New Options**"), at an issue price of A\$0.001 per option.

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.

KABOKO MINING LTD
ACN 107 316 683

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Option for every three (3) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.001 per Option to raise up to \$292,416 (**Offer**).

The Offer is fully underwritten by Komodo Capital Pty Limited (AFSL 344234) (**Underwriter**). Refer to section 8.5 for details regarding the terms of the Underwriting Agreement.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Options offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Malenga Machel (Chairman)
Tokkas Van Heerden (Executive Director)
Shannon Robinson (Non-Executive Director)
Papi Molastane (Director)

Company Secretaries

Ms Shannon Robinson
Ms Jane Flegg

Share Registry*

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KAB

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Australian Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Underwriter

Komodo Capital Pty Limited
Ground Floor, 1 Havelock Street
West Perth WA 6005

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. TIMETABLE

Announcement of Offer & Lodgement of Appendix 3B with ASX	29 July 2013
Lodgement of Prospectus with the ASIC and ASX	2 August 2013
Notice sent to optionholders	Pre trade 6 August 2013
Notice sent to Shareholders	7 August 2013
Ex date	8 August 2013
Record Date for determining Entitlements	14 August 2013
Prospectus despatched to Shareholders & Company announces despatch has been completed	16 August 2013
Closing Date*	30 August 2013
Securities quoted on a deferred settlement basis	2 September 2013
ASX notified of under subscriptions	4 September 2013
Issue Date	9 September 2013

* The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such the date the Options are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

3.1 General

This Prospectus is dated 2 August 2013 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Options the subject of this Prospectus should be considered highly speculative.

Applications for Options offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.2 Risk factors

Potential investors should be aware that subscribing for Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of 1 (one) Option for every three (3) Shares held by Shareholders registered at the Record Date at an issue price of \$0.001 per Option. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 292,415,898 Options will be issued pursuant to this Offer to raise up to \$292,416.

All of the Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.1 of this Prospectus.

All of the Shares issued upon the future exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 6.2 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in section 5.1 of this Prospectus.

4.2 Minimum subscription

There is no minimum subscription.

4.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Options you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.001 per Option); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “Kaboko Mining Ltd – Share Issue Account” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Company no later than 5.00pm WST on the Closing Date.

4.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Options which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4.00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Options (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.6 Underwriting

The Offer is fully underwritten by the Underwriter. Refer to section 8.5 of this Prospectus for details of the terms of the underwriting.

4.7 Effect on control of the Company

As at the date of this Prospectus, the Underwriter holds 19,418,586 Shares in the Company. The extent to which shares are issued upon the future exercise of the Options offered under this Prospectus pursuant to the underwriting will increase the Underwriters’ voting power in the Company.

The Underwriter’s present relevant interest and changes (assuming the Underwriter subscribes for its full Entitlement under the Offer, exercises all of its Options in the future and that no other options for Shares are exercised) under several scenarios are set out in the table below.

Event	Shares held by Underwriter	Voting power of Underwriter
Date of Prospectus	19,418,586	2.21%

Completion of Entitlement Issue		
• Fully subscribed ¹	45,863,957	5.16%
• 75% subscribed ¹	118,967,932	12.37%
• 50% subscribed ¹	192,071,906	18.56%
• 25% subscribed ¹	265,175,881	23.93%
• 0% subscribed ¹	338,279,855	28.64%

Note:

1. These figures all assume that the unexercised options held by the Underwriter at the date of this Prospectus (being 14,979,382 options) are also exercised.

The number of shares held by the Underwriter and its voting power in the table above show the potential effect of the underwriting of the Offer. However, it is unlikely that no shareholders will take up entitlements under the Offer. The underwriting obligation and therefore voting power of the Underwriter will reduce by a corresponding amount for the amount of entitlements under the Offer taken up by the other shareholders.

In addition, Shareholders should note that if they do not participate in the Offer, their holdings, upon the future exercise of the Options, are likely to be diluted by approximately 25% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	1.14%	3,333,334	10,000,000	0.85%
Shareholder 2	5,000,000	0.57%	1,666,667	5,000,000	0.43%
Shareholder 3	1,000,000	0.11%	333,334	1,000,000	0.09%
Shareholder 4	500,000	0.06%	166,667	500,000	0.04%
Shareholder 5	100,000	0.01%	33,334	100,000	0.01%
Total	877,247,693		292,415,898	1,169,663,591	

Notes:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

4.8 Shortfall Offer

Any Entitlement not taken up by Shareholders pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will also close on the Closing Date. The issue price for each Option to be issued under the Shortfall Offer shall be \$0.001 being the price at which Options have been offered under the Offer.

The Directors intend to first offer the Shortfall Options 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) Option for every 2 (two) Expired Options held as at 30 June 2013. As such, this Prospectus has been sent to each previous holder of Expired Options at the same time as it is sent to Shareholders. Shortfall Options will be allocated to former holders of Expired Options in preference to allocating any Shortfall Options to the Underwriter.

Acceptance of the Shortfall Offer by previous holders of Expired Options must be made on the Shortfall Application Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement. Holders of Expired Options and Shareholders may participate in the Shortfall Offer by following the acceptance and payment instructions set out for Shareholders in sections 4.3 to 4.5 above.

The Directors reserve the right to issue Shortfall Options at their absolute discretion.

4.9 ASX listing

Application for Official Quotation of the Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Options and will repay all application monies for the Options within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the Options now offered for subscription.

4.10 Issue

Options issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Options issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Options issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Options issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Options issued under the Shortfall Offer as soon as practicable after their issue.

4.11 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.12 Enquiries

Any questions concerning the Offer should be directed to Jane Flegg, Joint Company Secretary, on +61 8 9488 5220.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$292,416.

The funds raised from the Offer are planned to be used in accordance with the table 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%

Notes:

1. Refer to section 8.9 of this Prospectus for further details relating to the estimated expenses of the Offer.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its objectives.

The above table is a statement of current intentions as of the date of this 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 Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Options offered under the Prospectus are issued, will be to:

- (a) increase the cash reserves by \$258,193 (after deducting the estimated expenses of the Offer of \$34,223) immediately after completion of the Offer; and
- (b) increase the number of options on issue from 142,646,049 as at the date of this Prospectus to 435,061,947 options.

5.3 Pro-forma balance sheet

The auditor reviewed balance sheet as at 31 December 2012 and the unaudited pro-forma balance sheet as at 31 December 2012 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Options offered under the Prospectus are issued.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not

include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDITED 31 December 2012	PROFORMA 31 December 2012
CURRENT ASSETS		
Cash	100,542	359,191
Other current assets	596,572	596,572
TOTAL CURRENT ASSETS	697,114	955,763
NON-CURRENT ASSETS		
Exploration	18,115,283	18,115,283
Property, plant and equipment	800,664	800,664
TOTAL NON-CURRENT ASSETS	18,915,947	18,915,947
TOTAL ASSETS	19,613,061	19,871,710
CURRENT LIABILITIES		
Trade and other payables	1,477,225	1,477,225
Borrowings	3,088,966	3,088,966
Derivative financial instruments	209,725	209,725
Deferred acquisition liability	216,200	216,200
TOTAL CURRENT LIABILITIES	4,992,116	4,992,116
NON CURRENT LIABILITIES		
Deferred acquisition liability	1,835,601	1,835,601
Deferred tax liability	5,689,630	5,689,630
TOTAL NON CURRENT LIABILITIES	7,525,231	7,525,231
TOTAL LIABILITIES	12,517,347	12,517,347
NET ASSETS (LIABILITIES)	7,095,714	7,354,363
EQUITY		
Share capital	21,802,608	21,802,608
Shares & options to be issued	5,680,000	5,680,000
Other reserves	(12,257)	280,159
Retained loss	(20,217,527)	(20,251,294)
Non-controlling interest	(157,110)	(157,110)
TOTAL EQUITY	7,095,714	7,354,363

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Options offered under the Prospectus are issued, is set out below.

Shares

	Number
Shares currently on issue	877,247,693
Shares offered pursuant to the Offer	nil
Total Shares on issue after completion of the Offer	877,247,693

Options

	Number
Unlisted options, exercisable at \$0.03 on or before 15 July 2015	4,000,000
Unlisted options, exercisable at \$0.022 on or before 1 December 2014	9,979,382
Unlisted options, exercisable at \$0.02 on or before 28 September 2015	45,000,000
Unlisted options, exercisable at \$0.01 on or before 31 January 2016	60,000,000
Unlisted options, exercisable at \$0.02 on or before 31 December 2014	23,666,667
New Options offered pursuant to the Offer (Quoted exercisable at \$0.012 on or before 31 August 2016)	292,415,898
Total Options on issue after completion of the Offer	435,061,947

The capital structure on a fully diluted basis as at the date of this Prospectus would be 1,019,893,742 Shares and on completion of the Offer (assuming all Entitlements are accepted and no options are exercised prior to the Record Date) would be 1,312,309,640 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

5.5 Details of substantial holders

Based on publicly available information as at 2 August 2013, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
E.I.M Capital Managers	50,761,516	5.79
David Scanlen	50,000,000	5.70

The Offer will have no effect on the quantity of Shares held by these substantial shareholders as only Options are being issued.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Options

The Options to be issued pursuant to this Prospectus entitle the holder to subscribe for 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.

6.2 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares (being the security underlying the Options to be issued pursuant to this Prospectus). This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividends the Directors may declare a final dividend out of

profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares.

(e) **Shareholder liability**

As the Shares issued on the exercise of Options will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(g) **Future increase in capital**

The allotment and issue of any new shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

7. RISK FACTORS

7.1 Introduction

The Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Key Risks

(a) Sovereign Risk

The Company's key projects are located in Zambia which is considered to be a developing country and as such subject to emerging legal and political systems compared with the system in place in Australia.

Possible sovereign risks include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights in Zambia. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its shares.

No assurance can be given regarding future stability in Zambia or any other country in which the Company may have an interest.

The mining licenses are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

(b) Exploration and Development Risk

There can be no assurance that exploration or development of the mining licenses, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its mining licenses and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the mining licenses, a reduction in the case reserves of the Company and possible relinquishment of the mining licenses.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(c) **Mine Development**

The Company's ability to sustain or increase the proposed levels of production is dependent upon the successful development of new producing mines and/or identification of reserves and resources at existing mining operations. Whilst the Directors consider the Projects to have good potential for the discovery of resources, there is no guarantee of a discovery or that any discovery will be commercially feasible. If the Company is unable to develop new ore bodies, it will not be able to sustain the proposed production levels.

Many factors are involved in the determination of the economic viability of a deposit, including the achievement of satisfactory mineral reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and the estimate of future metals prices. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of the copper from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties and as a result, the Company cannot give any assurance that its development or exploration projects will become operating mines. If a mine is developed, actual operating results may differ from those anticipated in a feasibility study.

The proposed development is based on the Company relying on historical mining and resource studies completed by previous owners of the Projects which are not JORC compliant and additional drilling may be required.

(d) **Equipment and availability**

The Company's ability to undertake mining and exploration activities is dependent upon its ability to source appropriate mining equipment or contractors with access to mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

(e) **Reliability of technical information and project data**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Should the Company be successful in defining a mineral resource on any of the mining claims, such resource estimate will be an expression of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(f) **Title and Regulatory Risk**

The ability of the Company to carry out successful exploration and mining activities in Zambia will depend on the ability to maintain or obtain tenure to mining titles. The maintenance or issue of any such titles must be in accordance with the laws of Zambia and, in particular, the relevant mining legislation. Conditions imposed by such legislation must also be complied with. No guarantee can be given that tenures will be maintained or granted, or if they are maintained or granted, that the Company will be in a position to comply with all conditions that are imposed.

Although the Company has investigated title to all of its projects, the Company cannot give any assurance that title to such projects will not be challenged or impugned. The projects may be subject to prior unregistered agreements or transfers or title may be affected by undetected defects or other claims.

(g) **Operations**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of

its claim interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(h) **Resource estimates**

The Company does not presently have any JORC Code compliant resources on the mining licenses in which it has an interest. In the event a resource is delineated this would be an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(i) **Environmental Risks**

The operations and proposed activities of the Company are subject to the laws of Zambia, and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

There is a risk that environmental laws and regulations become more onerous in the future, making the Company's operations more expensive.

(j) **Demand and Supply Risks for Manganese**

If the Company achieves success leading to manganese production, the revenue it will derive through the sale of manganese exposes the potential income of the Company to price and exchange rate risks.

Manganese prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for manganese, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of manganese are denominated in United States dollars, exposing the Company to the fluctuations and volatility of the

relevant exchange rate for the United States dollar as determined in international markets.

7.3 Specific Risks

(a) Exploration and production risks

The business of manganese exploration, project development and production involves risks by its very nature. To prosper, it depends on the successful exploration appraisal and development of ore reserves. Operations, such as design and construction of efficient recovery and processing facilities, competent operational and managerial performance and efficient distribution and marketing services are required to be successful. In particular, exploration is a speculative endeavour whilst production operations can be hampered by force majeure circumstances, engineering difficulties, cost overruns, inconsistent recovery rates and other unforeseen events.

The outcome of exploration programs will affect the future performance of the Company and its Shares. If, and when, the Company commences production, the production may be curtailed or shut down for considerable periods of time due to any of the following factors:

- (i) disruptions to the transport chain being road and rail;
- (ii) a lack of market demand;
- (iii) government regulation;
- (iv) production allocations; and
- (v) force majeure.

These curtailments may continue for a considerable period of time resulting in a material adverse effect on the results of operations and financial condition of the Company.

Further, the exploration for and production of minerals involves certain operating hazards, such as:

- (i) failure and or breakdown of equipment;
- (ii) adverse geological, seismic and geotechnical conditions;
- (iii) industrial accidents;
- (iv) labour disputes;
- (v) adverse weather conditions;
- (vi) pollution; and
- (vii) other environmental hazards and risks.

Any of these hazards could cause the Company to suffer substantial losses if they occur.

The future exploration activities of the Company may not be successful. Unsuccessful exploration activities could have a material adverse effect on the results of operations and financial condition.

(b) **Exchange rate risk**

If the Group achieves success leading to mineral production, the revenue it will derive through the sale of manganese exposes the potential income of the Company to commodity price and exchange rate risks.

(c) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(d) **Additional requirements for capital**

The Directors expect that the Company will have sufficient capital resources to enable the Company to develop its Mansa Manganese Project in northern Zambia using funding available pursuant to a prepaid off-take arrangement.

However, the Directors can give no assurances that such objectives will in fact be met without future borrowings or capital raisings. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its expansion and development programs. If the Company is successful in meeting its initial objectives with respect to the Projects, then additional capital will be required to further develop its operations and pursue business opportunities.

(e) **Reliance on key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel.

In particular, the Company intends that the day-to-day management of the Projects will remain with the existing senior management and key personnel of its subsidiaries who have the experience and knowledge required to manage manganese exploration and production in Zambia. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these personnel cease their employment.

(f) **Competition**

There is a risk that the Company will not be able to continue to compete profitably in the competitive industry in which it intends to operate. The potential exists for the nature and extent of the competition to change rapidly, which may cause loss to the Company.

(g) **Third party risks**

The operations of the Company will require the involvement of a number of third parties, including suppliers, contractors and customers. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect itself against all such risks.

(h) **Management of growth**

There is a risk that management of the Company will not be able to implement the Company's growth strategy. The capacity of the new management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

(i) **Insurance**

The Company will, where possible and economically practicable, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover.

While the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers, there will remain the risk that an insurer defaults in payment of a legitimate claim by the Company under an insurance policy.

7.4 Economic risks

General economic conditions, movements in interest and inflation rates, commodity prices and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general political and economic outlook in Australia and Zambia;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors (in particular manganese);
- (e) industrial and landowner issues and disputes; and
- (f) terrorism or other hostilities.

7.5 No profit to date and uncertainty of future profitability

The Company has incurred losses in the past and it is therefore not possible to evaluate the Company's future prospects based on past performance. The Company expects to make losses in the foreseeable future. Factors that will determine the Company's future profitability are its ability to manage its costs, its ability to execute its development and growth strategies, the success of its activities in a competitive market, the actions of competitors and regulatory developments. As a result, the extent of future profits, if any, and the time required to achieve sustainable profitability, is uncertain. In addition, the level of any such future profitability (or loss) cannot be predicted and may vary significantly from period to period.

7.6 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Options offered under this Prospectus

Therefore, the Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Options.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings of a material nature and the Directors are not aware of any legal proceedings of a material nature pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
01/08/2013	Boardroom Radio Interview
01/08/2013	Quarterly Activities Report and Appendix 5B
29/07/2013	Underwritten Entitlement Issue and Appendix 3B
26/07/2013	Q and A Video with CEO
25/07/2013	Operations Update and Appendix 3B
02/07/2013	Q and A Video with CEO
01/07/2013	Boardroom Radio Interview
28/06/2013	Results of General Meeting
27/06/2013	Key Production Milestone
30/05/2013	Notice of General Meeting
27/05/2013	First Blast and Mining Operations Operations Underway
21/05/2013	Scoping Study Completed on Northern Zambian Project
01/05/2013	Becoming a substantial holder
01/05/2013	Quarterly Activities Report and Appendix 5B
03/04/2013	Processing Plant Scheduled for Delivery in Q2 2013
15/03/2013	Half Yearly Report
12/03/2013	Cleansing Prospectus
11/03/2013	Reinstatement to Official Quotation
11/03/2013	Noble Facility Funding Completed
11/03/2013	Continuation of Suspension
05/03/2013	Noble Facility Funding Update
28/02/2013	Suspension from Official Quotation

Date	Description of Announcement
26/02/2013	Trading Halt Request
26/02/2013	Trading Halt
13/02/2013	Change in substantial holding
11/02/2013	Change in substantial holding
07/02/2013	Zambian Project Update
01/02/2013	Quarterly Activities Report and Appendix 5B
17/01/2013	Noble Group Funds Kaboko, Appendix 3X and 3Y
28/12/2012	Becoming a substantial holder
24/12/2012	Ceasing to be a substantial holder from SFW
24/12/2012	Reinstatement to Official Quotation
24/12/2012	\$4 Million to be drawn under Noble Debt Funding & Offtake
20/12/2012	Suspension from Official Quotation
18/12/2012	Trading halt
27/11/2012	Results of Annual General Meeting
31/10/2012	Quarterly Activities Report and Appendix 5B
31/10/2012	Update on Debt Funding and Off-take with Noble
30/10/2012	Annual Report and Notice of Annual General Meeting

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.kabokominig.com.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	3 & 4 July and 3 May 2013	\$0.008
Lowest	26 & 27 June 2013	\$0.003
Last	1 August 2013	\$0.005

8.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

8.5 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agreed to conditionally underwrite the Offer of 292,415,898 Options (**Underwritten Securities**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter an underwriting fee of 6% of the value of the Underwritten Securities (being approximately \$17,545).

The Agreement is conditional upon:

- (a) the Underwriter being satisfied (in its sole and absolute discretion) with the form of the Prospectus and having given its consent to be named in the Prospectus prior to the date of despatch of the Prospectus to Shareholders (such consent not to be unreasonably withheld); and
- (b) a legal sign-off letter prepared by the Company's legal advisers being provided to the Underwriter by the lodgement date of this Prospectus confirming that the Offer may be made by way of prospectus made pursuant to section 713 of the Corporations Act and that the Offer will comply with the Corporations Act and the ASX Listing Rules.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **Prospectus:** the Prospectus is not dispatched to Shareholders on the despatch date or the Prospectus or Offer is withdrawn by the Company;
- (b) **ASX listing:** ASX does not give approval for the Underwritten Securities to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified (except where such qualification would not have a material adverse effect) or withheld;
- (c) **Index changes:** the S&P ASX 200 Index falls more than 10% from the business day prior to the date of the Underwriting Agreement;
- (d) **non-compliance with requirements:** the Prospectus does not contain all the information required by the Corporations Act;
- (e) **restriction on allotment:** the Company is prevented from allotting the Underwritten Securities within the time required by the Underwriting Agreement, the Corporations Act, the ASX Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority;
- (f) **share price:** for the period from the date of the Underwriting Agreement to the Closing Date, the Company's share price trades at less than 0.003 cents per Share;
- (g) **indictable offence:** a director of the Company or any subsidiary is charged with an indictable offence;
- (h) **return of capital or financial assistance:** the Company or a subsidiary passes or takes any steps to pass a resolution under section 254N,257A

or 260B of the Corporations Act or a resolution to amend its constitution, without the prior written consent of the Underwriter;

- (i) **change in laws:** any of the following occurs:
- (i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia;
 - (ii) the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory; or
 - (iii) the adoption by the Reserve Bank of Australia or any other Commonwealth or State authority of any major change in existing, monetary, taxation, exchange of fiscal policy, which does or is likely to prohibit, restrict or regulate the principal business of the Company or its subsidiaries, the Offer or the subsequent market for the Underwritten Securities;
- (j) **failure to comply:** the Company or any subsidiary fails to comply with any of the following:
- (i) a provision of its constitution;
 - (ii) any statute;
 - (iii) a requirement, order or request, made by or on behalf of the ASIC or ASX; or
 - (iv) any material agreement entered into by it, as disclosed to ASX;
- (k) **alteration of capital structure or constitution:** except as described in this Prospectus, the Company or any subsidiary alters its capital structure in a way not contemplated in this Prospectus;
- (l) **hostilities:** subject to the hostilities having a material adverse effect, there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China or any member of the European Union other than hostilities involving Afghanistan, Iraq, Iran, Syria, Lebanon or Israel and the Underwriter believes (on reasonable grounds) that the outbreak or escalation is likely to result in the S&P ASX 200 Index falling by 10%;
- (m) **extended Force Majeure:** a Force Majeure (as defined in the Underwriting Agreement), which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of 7 days occurs;
- (n) **default:** subject to the default or breach having a material adverse effect, the Company is in default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement;

- (o) **litigation:** subject to the litigation having a material adverse effect, litigation, arbitration, administrative or industrial proceedings are commenced against the Company or any subsidiary after the date of the Underwriting Agreement;
- (p) **timetable:** there is a delay in any specified date in the Offer timetable which is greater than 5 Business Days;
- (q) **adverse change:** any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a subsidiary (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a subsidiary);
- (r) **Prescribed occurrence:** subject to the Prescribed Occurrence having a material adverse effect, a Prescribed Occurrence (as defined in the Underwriting Agreement) occurs;
- (s) **Suspension of debt payments:** subject to the suspension having a material adverse effect the Company suspends payment of its debts generally;
- (t) **Event of insolvency:** subject to the Event of Insolvency having a material adverse effect, an Event of Insolvency (as defined in the Underwriting Agreement) occurs in respect of the Company, any subsidiary or a sub-underwriter which has entered into a sub-underwriting agreement with the Undertaker or any sub-underwriter does not comply with its obligations under such underwriting agreement; or
- (u) **Judgment against a related corporation:** a judgment in an amount exceeding \$100,000 is obtained against the Company or a subsidiary and is not set aside or satisfied within 7 days.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

8.6 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement	\$
Mr Malenga Machel	-	-	-	-
Mr Tokkas Van Heerden	5,000,000	-	1,666,667	1,667
Ms Shannon Robinson ¹	681,818	-	227,272	227
Mr Papi Molastane	-	-	-	-

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements,

Remuneration

The remuneration of an executive Director is decided by the Board. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board and until so determined the aggregate remuneration shall be paid to the non-executive Directors equally. The current amount has been set at an amount not to exceed \$500,000 per annum.

In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid/accrued to both executive and non-executive directors.

Director	Remuneration	
	Financial Year Ended 30 June 2014	Financial Year Ended 30 June 2013
Mr Malenga Machel ¹	60,000	60,000
Mr Tokkas Van Heerden ²	300,000	300,000
Ms Shannon Robinson ³	30,000	30,000
Mr Papi Molotsane ⁴	-	-

8.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (d) the formation or promotion of the Company; or
- (e) the Offer.

Komodo Capital Pty Limited, will be paid an underwriting fee of approximately \$17,545 in respect of this Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Komodo Capital Pty Limited has been paid fees by the Company by way of the issue of 9,979,382 options exercisable at \$0.022 on or before 1 December 2014.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$4,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$197,320 (including GST and disbursements) for legal services provided to the Company.

8.8 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to

its name and a statement included in this Prospectus with the consent of that party as specified in this section;

- (c) Komodo Capital Pty Limited has given its written consent to being named as underwriter to the Offer in this Prospectus, in the form and context in which it is named; and
- (d) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.9 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$34,223 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,225
ASX fees	10,393
Underwriting fees	17,545
Legal fees	4,000
Printing and ancillary costs	60
Total	34,223

8.10 Electronic prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 9488 5220 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.kabokominig.com/.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.11 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.12 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.13 Privacy Act

If you complete an application for Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Options, the Company may not be able to accept or process your application.

9. **DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Shannon Robinson
Director
For and on behalf of
KABOKO MINING LTD

10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Options pursuant to the Offer or a Shareholder or other party who applies for Shortfall Options pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Kaboko Mining Ltd (ACN 107 316 683).

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

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share on the terms and conditions set out in Section 6.1 of this Prospectus.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

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

Shareholder means a holder of a Share.

Shortfall means the Options not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in section 4.8 of this Prospectus.

Shortfall Options means those Options issued pursuant to the Shortfall.

WST means Western Standard Time as observed in Perth, Western Australia.