KABOKO MINING LTD
ABN 93 107 316 683

ASX Announcement

1 November 2013

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

Via E Lodgement

ANNUAL REPORT, NOTICE OF MEETING AND APPENDIX 3B

Please find attached the Company's Annual Report, which is available on the Company's website **www.kabokomining.com** and Notice of Annual General Meeting as despatched to shareholders of the Company together with the personalised proxy form.

S708 Notice
The Company gives this notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) ("Act"). The Company is pleased to advise that it has issued ordinary fully paid shares in the capital of the Company ("Securities") as per the Appendix 3B lodged with the ASX today.

The Company advises that the Securities were issued without disclosure to investors under Part 6D.2 of the Act. The Company, as at the date of this notice, has complied with:

(a) the provisions of Chapter 2M of the Act as they apply to the Company; and
(b) section 674 of the Act.

As at the date of this notice there is no information that is excluded information for the purposes of sections 708A(7) and (8) of the Act.

Please see attached the Appendix 3B

For and on behalf of the Board

Tokkas Van Heerden
Chief Executive Officer

For further information please contact:

Investors | Shareholders
Shannon Robinson
Director | Corporate Relations
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About Kaboko Mining Limited

Kaboko Mining Limited (ASX:KAB) is a an ASX listed exploration, development and mining company primarily focused on establishing itself as a major producer and exporter of high grade manganese ore from its portfolio of assets in Zambia. Kaboko currently holds majority interests in 5 large scale prospecting licenses and 2 small scale mining licenses covering over 2,700km^2 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.

Competent Person’s Statement

The information in this report that relates to results is based on information reviewed and compiled by Mr Francois Martins, who is a registered natural scientist and a member of the South African Council for Natural Scientific Professions. Mr Martins is employed by Kaboko Mining Limited and has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Coal Resources and Ore Reserves. Mr Martins consents to the inclusion in this report of this information in the form and context in which it appears.

ANNUAL REPORT 2013

KABOKO MINING LTD

ABN 93 107 316 683

CORPORATE DIRECTORY

Directors

Mr Andrew Simpson - Non-Executive Chairman
(Appointed 9 September 2013)

Mr Tokkas Van Heerden - Executive Director
(Appointed 14 January 2013)

Mr Nigel Goodall - Executive Director
(Appointed 9 September 2013)

Mr Malenga Machel - Non-Executive Director

Dr Paul D'Sylva - Non-Executive Director
(Appointed 9 September 2013)

Ms Shannon Robinson - Non-Executive Director

Mr Leapeetswe (Papi) Molotsane -
Non-Executive Director
*(Appointed 14 January 2013,
Resigned 9 September 2013)*

Mr Jason Brewer - Executive Director
(Resigned 14 January 2013)

Joint Company Secretaries

Ms Jane Flegg

Ms Shannon Robinson

Principal Place of Business & Registered Office

Ground Floor, 1 Havelock Street

WEST PERTH, WA, AUSTRALIA, 6005

Contact Details

Website: www.kabokomining.com
Email: info@kabokomining.com
Ph: +61 (8) 9488 5220
Fax: +61 (8) 9324 2400

Ground Floor, 1 Havelock Street

WEST PERTH, WA, AUSTRALIA, 6005

Solicitors To The Group

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
Perth WA 6008

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Stock Exchange

Australian Securities Exchange
Exchange Plaza
2 The Esplanade
Perth WA 6000

Codes: KAB, KABOA

Share Registry

Computershare Investor Services
45 St Georges Terrace
Perth WA 6000

CONTENTS

CHAIRMAN’S LETTER

Dear Shareholders

As many of you may be aware, I have only recently joined the Board of Directors including the responsibility of being Chairman.

Whilst there is no doubt the company will continue to face ongoing challenges, I am genuinely excited about the forward opportunities and particularly developing our manganese projects in Zambia into world class operations. We will also continue to look for other projects in Africa and again particularly on manganese. With a continuing positive outlook in the market for manganese and even more so for the very high grade products being mined at our Zambian operation, the outlook for the company is positive and with a strong commitment to increasing growth and profitability.

The past year has provided significant milestones in advancing Kaboko’s Zambian Manganese Projects, and was underpinned by the commitment to the Company by the Noble Group in Hong Kong of an off-take agreement and associated US$10m pre-payment debt facility.

As a direct result of this funding facility, significant progress has been achieved since the acquisition of the Zambian Manganese projects in late 2011, from resource drilling, initial mine development and now to production in just 18 months. This has culminated in the first sale of 2,000 tonnes of high-grade ore from the company’s flagship project at Mansa Northern Zambia and delivered to the Noble Group in accordance with the off-take agreement. Furthermore, and over the next six months, the project is positioned to ramp up to full production of approximately 10,000 tonnes per month. There is also a strong commitment to maximising the efficiency within the operation and particularly minimizing operating costs, whilst achieving and maintaining world safety standards.

The initial shipments, coupled with ongoing exploration and metallurgical test programs have confirmed the resource as world class in terms of quality with average sampling at our Mansa, Northern Zambia project consistently recording above 50% manganese. Customer appreciation of this grade is extremely high and in turn provides strong security of sales going forward.

Apart from reaching full-scale production over the next few months, the next critical phase in the development of this initial Kaboko project will be the JORC Compliant Resource Statement that is due for completion and publication in late 2013. With these two important milestones being completed within the forthcoming months, the company can look forward to a position of being cash flow positive and profitable. This is quite unique for a small mining company with such a relatively short history, and again underpins the quality of the projects.

On behalf of the Board of Directors of Kaboko Mining, I would like to thank our shareholders for their support over the past year and I look forward to providing updates on our progress as we move towards our goal of becoming a world class manganese producer.

Andrew V Simpson
Chairman

Your Directors present their report on the Group (referred to hereafter as the "Group") consisting of Kaboko Mining Limited and the entities it controlled at the end of, or during, the year ended 30 June 2013.

Directors

The names of the directors of the Group in office at any time during or since the financial year and up to the date of this financial report are as follows. Directors were in office for the entire period unless otherwise stated.

The names of the Directors who held office during or since the end of the year are as follows:-

Mr Andrew Simpson - Non-Executive Chairman *(Appointed 9 September 2013)*

Mr Tokkas Van Heerden - Executive Director *(Appointed 14 January 2013)*

Mr Nigel Goodall - Executive Director *(Appointed 9 September 2013)*

Mr Malenga Machel - Non-Executive Director

Dr Paul D'Sylva - Non-Executive Director *(Appointed 9 September 2013)*

Ms Shannon Robinson - Non-Executive Director

Mr Leapeetswe (Papi) Molotsane - Non-Executive Director *(Appointed 14 January 2013, Resigned 9 September 2013)*

Mr Jason Brewer - Executive Director *(Resigned 14 January 2013)*

Principal activities

The principal activity of the Group during the financial year was the exploration and development of high grade Manganese projects in Zambia. There were no significant changes in the nature of the activities of the Group during the financial year.

Operating results

The operating loss for the Group after income tax amounted to $4,196,485 (2012: $7,154,679).

The Directors have prepared the financial statements on the going concern basis as they believe that, through either the profitable sale of manganese or capital raisings, the Group will be able to raise the funds necessary to meet its current liabilities and commitments,.

Dividends

No dividends have been paid or declared since the start of the financial year by the Group.

The directors have recommended that no dividend be paid by the Group in respect of the year ended 30 June 2013.

Significant changes in the state of affairs

The following significant changes in the state of affairs of the Group occurred during the financial year.

On 14 January 2013, after the completion of the Noble Group transaction, the Group announced a restructure of the Board with the appointment of two new directors, Tokkas Van Heerden and Leapeetswe (Papi) Molotsane (Noble Group Representative) and resignation of director Jason Brewer.

On 11 March 2013 the Group announced the issue of 60,000,000 ordinary fully paid shares in a placement to sophisticated investors raising $600k before costs. The 60,000,000 free attaching one for one unlisted options ($0.01 expiry 31January 2016) received shareholder approval and 56,800,000 were allotted on 28 June 2013.

On 28 June 2013 the Group received shareholder approval to convert $1m of debt by the issue 100,000,000 shares on the same terms as the March Placement.

On 4 September 2013 the Group announced the allotment of 170,440,000 new options exercisable at $0.012 on or before 31 August 2016 in accordance with the Entitlement Issue Prospectus dated 2 August 2013.

On 24 September 2013, the Group announced the completion of the option rights issue shortfall of 121,849,368 attaching new options exercisable at $0.012 on or before 31 August 2016. Funds raised from the Option Rights Issue totalled $292,415 before costs.

Review of Operations

During the financial year the Group reached a major milestone in advancing its Zambian Manganese Projects with the signing of a binding manganese ore off-take agreement and US$10m prepayment debt facility with Noble Resources International Pte ("Noble Group").

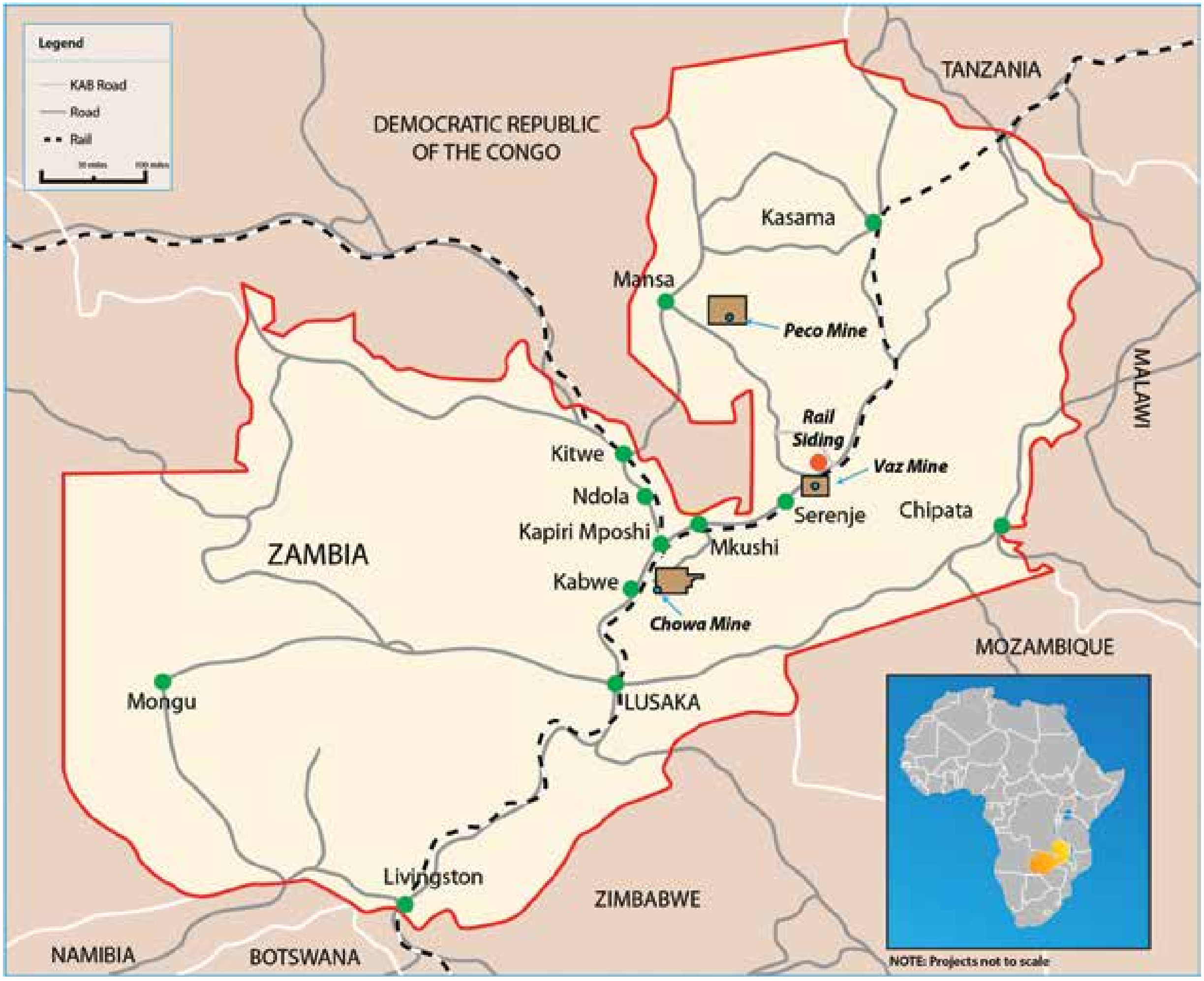
Under the terms of the Off-take Agreement, the Group will deliver to the Noble Group180,000 DMT per year of 48% manganese lump ore from the Group's Zambian Manganese Projects over the life of the project mines.

As at the date of this report a total of US$4.5m has been received from the Noble Group under the US$10m prepayment debt facility completing Tranche A. The funding has been used for the mine development of the Mansa Manganese Project in Northern Zambia, identified as the best first mining opportunity, culminating in first sale of 2,000 tonnes of high grade manganese to the Noble Group under the offtake agreement after year end. The Noble Group agreed to purchase the ore free-on-truck ("FOT") at the minesite and initiated delivery of containers to site for transportation.

The second tranche of US$5.5m under the US$10m Secured Prepayment Debt Facility is available to be drawn down in the period commencing on the date upon which the first five consecutive quarters of production have been successfully delivered to the Noble Group in accordance with the offtake agreement.

Subsequent to year end the Noble Group advanced a further US$1.16M under the second tranche debt facility to upgrade key plant and equipment with a view to increase production from 5,000 tonnes per month to in excess of 10,000 tonnes per month by Q4 2013 / Q1 2014.

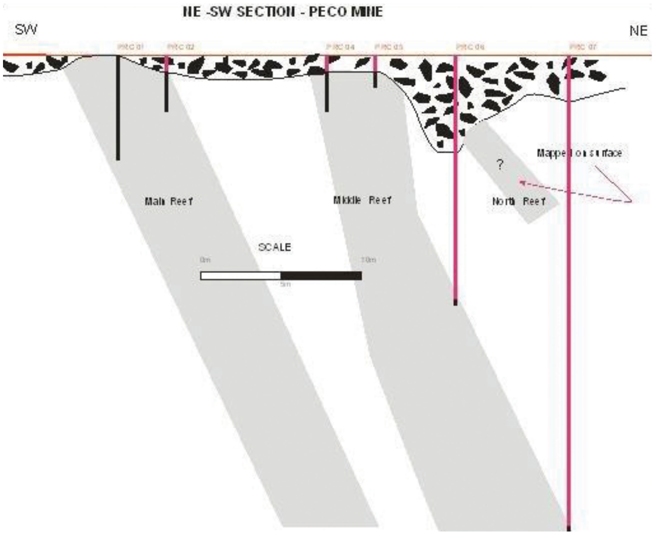
Zambian Manganese Projects

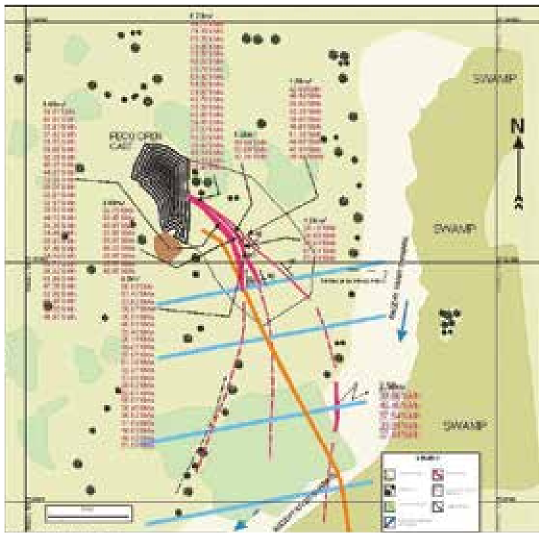


Northern Manganese Project

During the financial year the Group continued the development of its Northern Zambian Project at Mansa. Exploration work completed, including aerial geological surveys, trenching and scout drilling, identified high grade manganese mineralisation in veins typically in excess of 4m wide and strike lengths of over 400m. Trenching undertaken has also shown that the reef is potentially open-ended towards the north-west and south-east.The scout drilling undertaken during the year confirmed the location of at least three main manganese reefs with a north-west south-east strike trend to the north and south of the existing open pit at the project.

Exposed Manganese Reef at Mansa, Northern Zambian Manganese Project





Cross Section of Mineralisation Zone

High Grade Manganese of Identified Reefs

Following site preparation and clearing of over-burden, mining operations commenced at the Mansa Project during the last quarter of the financial year. Blasting commenced on site to expose the high grade manganese reef, including completion of initial blasts to test the new Autostem style explosives used. The technology is safer and allows the Group better contamination control over blasted product which is ideal for the mineralisation structure at the Mansa Project.

Commercial scale mining at the Mansa, Northern Zambian Manganese Project ramped up during the last quarter of the financial year and an initial overburden of 8,000 cubic meters was removed and an estimated 6,000 tons of high grade manganese ore was extracted from the main vein and stockpiled.

Commercial scale mining underway at Mansa, Northern Zambian Manganese Project

Subsequent to year end initial testing of the manganese stockpile grab samples undertaken by independent laboratories, in preparation for commercial settlement of the Group's off-take sale agreement with the Noble Group returned results of 50% plus manganese from grab samples in line with expectations as shown below.

Element	Stockpile 1	Stockpile 2	Stockpile 3	Stockpile 4
Manganese, as Mn	51.86%	52.73%	51.33%	47.76%
Iron, as Fe	2.30%	2.28%	1.95%	1.83%
Silicon, as SiO2	2.80%	3.05%	3.40%	2.90%
Calcium, as CaO	0.68%	0.20%	0.70%	0.93%
Aluminium, as Al2O3	1.92%	1.97%	2.27%	1.71%
Magnesium, as MgO	0.04%	0.05%	0.03%	0.03%
Phosphorus, as P	0.05%	0.05%	0.05%	0.04%
Sulphur, as S	0.12%	0.02%	0.15%	1.27%
Loss On Ignition at 1000 C, as LOI	10.99	10.53	10.72	9.55

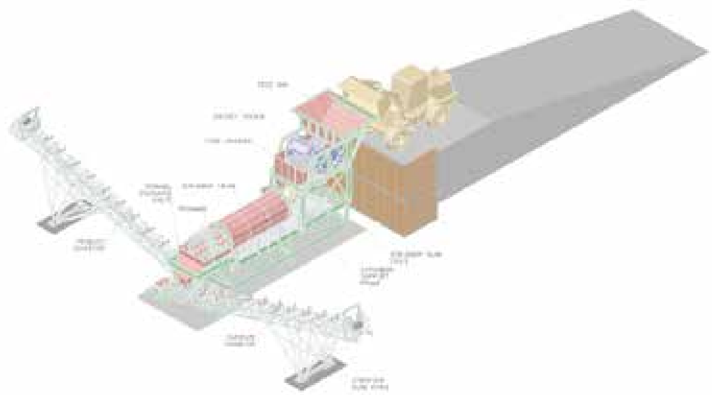


High Grade Manganese Stockpiles at Mansa, Northern Zambian Manganese Project

Additional Mining Plant and Equipment

A further US$1.16M was drawn down pursuant to the Noble Group Agreement subsequent to year end, to upgrade key plant and equipment with a view to increase production to in excess of 10,000 tonnes per month. This includes the addition of a scrubber trommel and jig circuit to be used in conjunction with the semi-modular crushing plant as well as a front end loader, excavator and other key equipment items. This additional drawn down underlines the ongoing Noble Group support for the project and the ongoing development of the Group.

The scrubber trommel and jig circuit will be used to recover 20-25% of the high grade manganese nodules that are in the alluvial overburden and will be initially used to process the alluvial stockpile already on site. This unit will upgrade the manganese ore mined, particularly from the alluvial overburden, and is also able to be used to process material during the wet season. The Group anticipates that this capital investment in further mining plant and equipment will see production ramping up to achieve targets of 120,000 tonnes per annum, deliverable under the Noble Group Agreement.

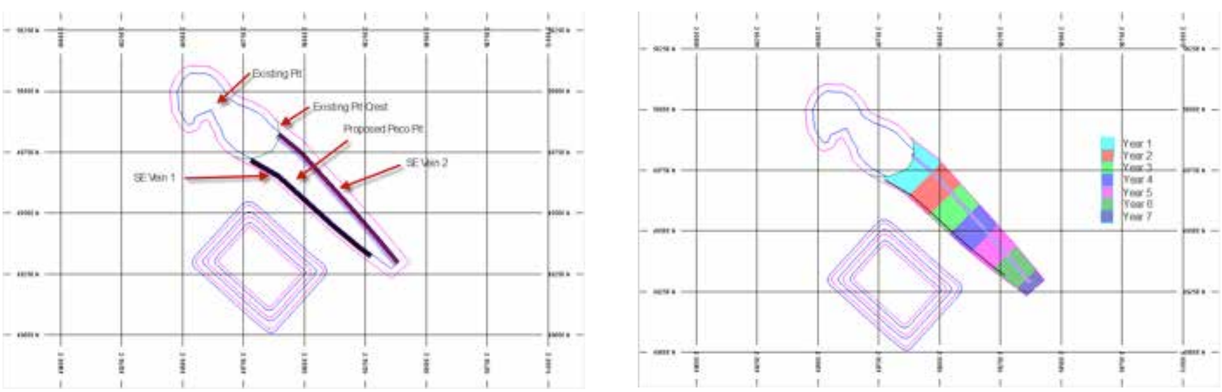


Scrubber Trommel and Jig Circuit Unit

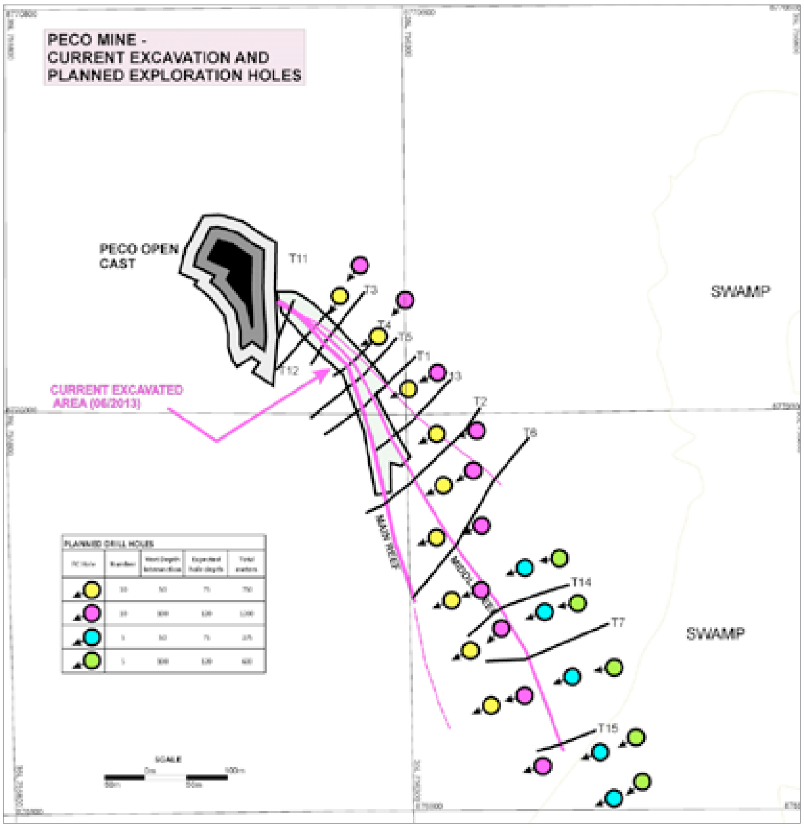
The Group's initial scoping study on the Northern Zambian manganese project at Mansa was completed by independent consultant Minxcon which included an indicative high grade manganese resource estimate and mine plan for operations based on an initial 7 year mine plan.

The scoping study confirms that the budgeted costs for production and logistics at the Mansa Project are in line with the Group's expectations.

In addition the scoping study provides the foundations for a JORC compliance resource statement at the Mansa, Northern Zambian Manganese Project which is expected to be completed Q3 2013, following a further exploration program to drill approximately 24 holes (1,200m) targeting extension of existing mineralisation zone. It is important to note that the Mansa, Northern Zambian Manganese Project license area covers approximately 90km2 (625km2 post year end with further license acquisition as below) and the scoping study focused on the known mineralisation area which represents less than 2% of the total Mansa, Northern Zambian Manganese Project area, emphasising the significant exploration potential of the project.



Mansa, Northern Zambian Manganese Project: Mine Plan



Exploration Program at Mansa, Northern Zambian Manganese Project

New License Area

In July 2013 the Group concluded an agreement with Hon. Mwansa to acquire a 51% interest in large prospecting license (13030-HQ-LPL) in northern Zambia (refer map), with an option to increase its interest in this license to 75%. The Company's interest in the license is held in a new local subsidiary, Innovative Mining Limited. This large-scale exploration license, covering 525.9km², is adjacent to the current Northern Zambian Mansa operation and potentially expands mining operations underway at this site.

New license area expanding the Company's Mansa, Northern Zambian Manganese Project

Initial work on this new license, which has been granted for two years, will be to evaluate key surface outcrop area's that may potentially expand current production activities at Mansa, Northern Zambian Manganese Project.

Emmanuel Project

During the financial year ongoing exploration and development works were undertaken at the Emmanuel Project. Due to the ramping up activities at the Group's Mansa, Northern Zambian Manganese Project the planned further exploration program for this area will not commence until the coming year.

The exploration program includes trenching of identified mineralisation zones to confirm targets for more detailed exploration from three key areas on the project.

Initially, the Group intends to focus on the Kampumba area in the southern part of the Emmanuel Project area. This area is well-known for the Kampumba Deposit, previously worked by the Chinese under Chiman, which is located approximately 10 kilometres from the Group's license. The target area includes an exposed manganese vein about 6 meters long and about 2 meters wide. The Group plans to undertake more trenching in this area to targeting extension of the known mineralisation and exposed manganese vein.

Secondly the Group intends to undertake further exploration at the north-west section of the Emmanuel Project. This area lies to the east of Chowa Mine and is bounded by a large open pit mine previously operated and known as the Lubambe prospect. Historically the Lubambe prospect produced very high grade manganese. The proposed exploration program initially involves manual trenching of identified manganese outcrops.

Thirdly, the Group proposes to dig trenches at the Chowa area to expose the vein for further evaluation. The trenching can be undertaken using non-mechanised/manual labour initially and then utilising an excavator as the trenches are deepened.

Whilst the Company continues to focus on development of the Mansa, Northern Zambian Manganese Project, the Emmanuel Project is scheduled to be the second project to be developed.

Significant Events Subsequent to the End of the Financial Year

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years except as follows:-

- On 20 August 2013, the Group announced:-
    - That it had rapidly brought the Mansa Mine into operation since the completion of the Noble Group Agreement in March 2013 with production from the mine reaching 5,000 tonnes per month, and it had concluded its first sale of 2,000 tonnes of high-grade Manganese ore to the Noble Group;
    - A further US$1.16M had been drawn from Tranche B of the $10M Pre-Payment Facility for additional key mining plant and equipment to accelerate production underlines the ongoing Noble Group support for the project and the Group.
- On 4 September the Group announced the allotment of 170,440,000 new options exercisable at $0.012 on or before 31 August 2016 in accordance with the Entitlement Issue Prospectus dated 2 August 2013. On 24 September 2013, the Group announced the completion of the option rights issue shortfall of 121,849,368 attaching new options exercisable at $0.012 on or before 31 August 2013. Funds raised from the Option Rights Issue totalled $292,415 before costs.
- On 10 September the Group announced the appointment of Mr Andrew Simpson, Mr Nigel Goodall and Mr Paul D'Sylva to the Board of Directors and the resignation of Mr Leapeetswe (Papi) Molotsane.

Likely Developments and Expected Results

With the successful transition from exploration to production of the Group's Zambian Mansa Mine, the directors intend to continue to actively pursue the exploration and development of the Group's mineral interests in Zambia and focus on progressing the manganese Zambian projects to production. In addition the Group will pursue opportunities in other parts of Africa and South Africa with synergistic high-grade ore bodies that are in or near to production.

Environmental Regulation

The Group's environmental obligations are regulated under both state and federal law. All environmental performance obligations are monitored by the Board and subjected from time to time to government agency audits and site inspections. The Group has a policy of at least complying with, but in most cases exceeding, its statutory environmental performance obligations. No environmental breaches have occurred or have notified by any government agencies during the year ended 30 June 2013.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

Information On Directors And Company Secretary

Andrew Simpson

Non-Executive Chairman – Appointed 9 September 2013

Qualifications and Experience:

Andrew Simpson has a strong commercial background and extensive experience in the resource and mining industries at both the Board and executive management level, including more than 30 years of experience in international marketing and distribution of minerals and metals. He is the Noble Group nominee to the Company's Board of Directors.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Swick Mining Services Limited *from 24 October 2006*

Territory Resources Limited *from 25 September 2007*

India Resources Limited *from 21 August 2006*

Vital Metals Limited *from 23 February 2005*

Blackwood Corporation Limited *from 25 September 2007*

Special Responsibilities:

Chairman of the Board

Interest in shares and options of the Group as at the date of signing this report:

None

Tokkas Van Heerden

Executive Director and CEO – Appointed 14 January 2013

Qualifications and Experience:

Tokkas Van Heerden has been instrumental in the introduction of the Zambian manganese projects to the Group and in country management of these projects as the operating manager for the Group. Impondo South Africa, a consulting firm owned by Tokkas Van Heerden, provides key operational and personnel support services in country to the Group. Tokkas Van Heerden is actively involved in developing mining rights throughout Africa and has extensive mining experience in South Africa, DRC, Mozambique, Zambia, Namibia and Zimbabwe.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

None

Interest in shares and options of the Group as at the date of signing this report:

5,000,000 fully paid ordinary shares

Nigel Goodall

Executive Director – Appointed 9 September 2013

Qualifications and Experience:

Nigel Goodall has 40 years' experience in the mining and resource industry covering operations, project design and development, marketing and general management. He holds a degree in Mineral Processing from London University and an MBA from the University of Western Australia. He has worked in coal, copper, gold, tin, iron ore and mineral sands.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Stirling Resources Limited *from 15 September 2010 to 31August 2011*

Redbank Copper Limited *from 16 December 2010 to 25 September 2011*

MZI Resources Limited *from 15 February 2011 to 31 August 2011*

Interest in shares and options of the Group as at the date of signing this report:

None

Malenga Machel

Non-Executive Director

Qualifications and Experience:

Malenga Machel is a founding Director and Managing Director of Resources and Managing Director of Energy of Whatana Investments Group. The Whatana Group is a privately owned and highly successful Mozambican-based investment group established in 2005 that has interests throughout Africa in resources, energy, logistics, telecommunications, the financial sector and property development. The Whatana Group is headed up by Graca Machel, widow of the first president of Mozambique, Samora Machel and current wife of South African former president Nelson Mandela.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

None

Interest in shares and options of the Group as at the date of signing this report:

None

Paul D'Sylva

Non-Executive Director – Appointed 9 September 2013

Qualifications and Experience:

Paul D'Sylva is a Partner of Empire Equity Ltd, a boutique corporate advisory group. He has led and arranged a number of funding transactions since 2008 for a diverse range of resource and energy companies, including the US$10M pre-payment and offtake agreements between the Noble Group and Kaboko Mining Limited.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Alcyone Resources Limited *from 15 March 2013*

Interest in shares and options of the Group as at the date of signing this report:

None

Shannon Robinson

Non-Executive Director and Joint Company Secretary

Qualifications and Experience:

Shannon Robinson is a corporate lawyer and an associate of the Institute of Chartered Secretaries and Administrators (ICSA) and Chartered Secretaries Australia (CSA) and a member of AMPLA. Ms Robinson provides corporate advice in relation to mergers and acquisitions, capital raisings, due diligence reviews and legal compliance, takeovers and managing legal issues associated with client transactions. Ms Robinson has acted as Company Secretary for a number of ASX listed and unlisted companies.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Black Mountain Resources Limited *from 17 October 2012*

White Star Resources Limited *from 22 April 2013*

Interest in shares and options of the Group as at the date of signing this report:

681,818 fully paid ordinary shares

568,179 listed options exercisable at $0.012 on or before 31 August 2016

Leapeetswe (Papi) Molotsane

Non-Executive Director – Appointed 14 January 2013, Resigned 9 September 2013

Qualifications and Experience:

Leapeetswe (Papi) Molotsane is the CEO of Africa Commodities Group, a joint venture company between the Noble Group and Altius Investment Holdings, which is a domestically owned South African company with investments in trading, water treatment and technology companies. Leapeetswe (Papi) Molotsane has held senior executive positions in a diversified range of businesses embracing logistics and transport, telecommunications and manufacturing, amongst others.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

None

Interest in shares and options of the Group as at the date of signing this report:

None

Commercial scale mining underway at Mansa, Northern Zambian Manganese Project

Jason Paul Brewer

Executive Director – Resigned 14 January 2013

Qualifications and Experience:

Jason Brewer has over 18 years' international experience in the natural resources sector. He is a mining engineer with a Master's degree in mining engineering with honours from the Royal School of Mines, London. He has experience in mining operations in Africa, North America and Australia and has worked for major investment banks in London, Sydney and Perth.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Continental Coal Limited *from 16 December 2009*

Black Mountain Resources Limited *from 3 February 2012*

Altona Mining Limited *from 2 October 2007 to 28 September 2011*

De Grey Mining Limited *from 3 December 2010*

Interest in shares and options of the Group as at the date of signing this report:

3,600,000 fully paid ordinary shares

Jane Rosemary Flegg

Joint Company Secretary

Experience

Jane Flegg has over 20 years of experience in finance and administration. Ms Flegg has been a corporate advisor to several ASX and AIM listed mining and oil and gas exploration companies specialising in corporate and financial management, compliance and company secretarial advice. Ms Flegg is currently Joint Company Secretary of Range Resources Limited and Company Secretary/CFO of Paynes Find Gold Limited, Eclipse Metals Limited and International Goldfields Limited.

Interest in shares and options of the Group as at the date of this report:

1,000,000 Ordinary Shares

1,000,000 unlisted options exercisable at $0.01 on or before 31 January 2016

333,334 listed options exercisable at $0.012 on or before 31 August 2016

Remuneration Report (Audited)

The information provided in this remuneration report has been audited as required by Section 308(3c) of the Corporations Act 2001.

This remuneration report outlines the director and executive remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly.

Remuneration Policy

The Group has not established a Remuneration Committee, the role of the Committee is assumed by the Board as a whole, which is responsible for determining and reviewing the remuneration arrangements of the directors and executives.

The Board is of the view that the Group is not of a size to warrant the use of remuneration consultants; accordingly there have been no services received from remuneration consultants during the year to 30 June 2013.

The Board assesses the appropriateness of the nature and amount of emoluments of such Directors and executives on an annual basis by reference to market and industry conditions.

In order for the Group to prosper, thereby creating shareholder value the Group must be able to attract and retain the highest calibre executives.

Executive and non-executive directors, other key management personnel and other senior employees may be granted ordinary shares and options over ordinary shares. The recipients of options are responsible for growing the Group and increasing shareholder value. If they achieve this goal the value of the options granted to them will also increase. Therefore the options provide an incentive to the recipients to remain with the Group and to continue to work to enhance the Group's value.

There is no relationship between the performance or the impact on shareholder wealth of the Group for the current financial year or the previous four financial years and either the remuneration of directors and executives or the issue of shares and options to directors. Remuneration is set at levels to reflect market conditions and encourage the continued services of directors and executives.

Remuneration is otherwise based on fees approved by the Board of directors.

Non-Executive Directors Remuneration

The Board seeks to set remuneration levels that provide the Group with the ability to attract and retain the highest calibre professionals.

Fees and payments to non-executive Directors reflect the demands that are made on, and the responsibilities of the Directors from time to time.

Directors' fees are determined by the Board within the aggregate directors' fee limit approved by shareholders. The maximum currently stands at $500,000 approved by shareholders on 25 October 2006.

The Group may provide remuneration in the form of shares to Directors in lieu of Director's Fees. The issue of shares to Directors requires the Group to obtain prior Shareholder approval. The Board considers that remuneration of Directors in equity will align their interests with those of the shareholders.

Remuneration in the form of share options issued under the Group's Employee Share Option Plan is designed to reward Directors and executives in a manner aligned to the creation of shareholder wealth. Subject to shareholders approval non-executive directors may participate in the Group's Employee Share Option Plan.

Non-executive Directors receive superannuation benefits in accordance with the Superannuation Guarantee Legislation. Non-executive directors are permitted to salary sacrifice all or part of their fees.

The remuneration of directors and executives does not include performance-based incentives.

Voting and Comments Made at the Group's 2012 Annual General Meeting

Kaboko Mining Ltd received more than 90% of "yes" votes on its remuneration report for the 2012 financial year. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Appointment Contracts With Directors

Non-Executive Chairman – Mr Malenga Machel

- Term of Agreement – The agreement commenced on 13 February 2012 for an unspecified term or until either party gives written notice.
- Remuneration of USD $60,000 (AUD $65,603 at 30 June 2013 exchange rate) per annum payable monthly and reviewed annually to Mr Malenga Machel or his nominee. Mr Machel's remuneration was revised from USD $120,000 to $60,000 midway through the 2013 financial year.

Executive Director and CEO – Mr Tokkas Van Heerden – Appointed 14 January 2013

- Term of Agreement – The agreement commenced on 14 January 2013 for an unspecified term or until either party gives two months' written notice of termination or otherwise terminated in accordance with the Executive Services Agreement.
- Remuneration of $300,000 per annum plus GST payable monthly to Mr Tokkas Van Heerden or his nominee.
- Payment of termination of Agreement without cause – one months' notice and one months' fee or two months' fee.

Non-Executive Director – Ms Shannon Robinson

- Term of Agreement – The agreement commenced on 30 August 2011 for an unspecified term or until either party gives written notice.
- Remuneration of $30,000 per annum plus 9% superannuation payable monthly and reviewed annually to Ms Shannon Robinson or her nominee.
- Payment of termination of Agreement without cause – one months' notice and one months' fee or two months' fee.

Non-Executive Director – Leapeetswe (Papi) Molotsane – Appointed 14 January 2013, Resigned 9 September 2013

- Mr Molotsane did not have a contract or receive remuneration during his term of office

Executive Director – Mr Jason Brewer – Resigned 14 January 2013

- Term of Agreement – The agreement commenced on 30 August 2011 for an unspecified term or until either party gives two months' written notice of termination or otherwise terminated in accordance with the Executive Services Agreement.
- Remuneration of $45,000 per annum plus GST payable monthly to Mr Jason Brewer or his nominee.
- Payment of termination of Agreement without cause – one months' notice and one months' fee or two months' fee.

Details of Remuneration - Key Management Personnel

The names and positions of key management personnel of the Group who have held office during the financial year are:

Directors

Mr Malenga Machel
Non-Executive Chairman

Mr Tokkas Van Heerden
Executive Director (Appointed 14 January 2013)

Ms Shannon Robinson
Non-Executive Director

Mr Leapeetswe (Papi) Molotsane
Non-Executive Director (Appointed 14 January 2013)

Mr Jason Brewer
Executive Director (Resigned 14 January 2013)

Executives

Jane Flegg
Company Secretary

2013	Short-Term Benefits		Post-Employment Benefits	Share-Based Payments	Total	Performance Related	Options as Remuneration
Name	Cash, Salary and Commissions	Termination Payments	Superannuation	Options			
	$	$	$	$	$	$	%
Key Management Personnel							
Malenga Machel	95,546	-	-	-	95,546	-	-
Tokkas Van Heerden *(from 14 January 2013)*	150,000	-	-	-	150,000	-	-
Shannon Robinson	30,000	-	2,250	-	32,250	-	-
Leapeetswe (Papi) Molotsane *(from 14 January 2013)*	-	-	-	-	-	-	-
Jason Brewer *(to 14 January 2013)*	22,500	-	-	-	22,500	-	-
Jane Flegg (i)	-						
	298						

(i)Jane Flegg is an em

2012	Short-Term Benefits		Post-Employment Benefits	Share-Based Payments	Total	Performance Related	Options as Remuneration
Name	Cash, Salary and Commissions	Termination Payments	Superannuation	Options			
	$	$	$	$	$	$	%
Key Management Personnel							
Malenga Machel *(from 13 February 2012)*	58,185	-	-	-	58,185	-	-
Jason Brewer *(from 30 August 2011)*	37,500	-	-	-	37,500	-	-
Shannon Robinson *(from 30 August 2011)*	25,000	-	2,250	-	27,250	-	-
Patrick Ryan *(to 30 August 2011)*	5,000	-	450	-	5,450	-	-
Catherine Hobbs *(to 13 February 2012)*	133,792	85,303	-	60,000	291,119	-	21%
Shane Hartwig *(to 30 August 2011)*	5,000	-	12,024	-	5,000	-	-
Jane Flegg (i) *(from 30 August 2011)*	-	-	-	-	-	-	-
Jack Toby *(to 30 August 2011)*	13,000	-	-	-	13,000	-	-
	277,477	85,303	14,724	60,000	437,504	-	14%

(i)Jane Flegg is an employee of Okap Ventures Pty Ltd and is paid through Okap's consulting agreement with Kaboko Mining Limited.

Equity-Based Compensation

Options Issued As Part Of Remuneration For The Year Ended 30 June 2013

There were no options issued during 2013.

No options lapsed and no options were exercised during the year.

Options Issued As Part Of Remuneration For The Year Ended 30 June 2012

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to increase goal congruence between executives, directors and shareholders.

Details of options over ordinary shares in the Group provided as remuneration to each director of Kaboko Mining Limited are set out below. When exercisable, each option is convertible into one ordinary share of Kaboko Mining Limited. Further information on the options is set out in note 12 of the financial statements.

Options Granted As Remuneration

Name	Number of options granted during the year		Number of options vested during the year	
	2013	2012	2013	2012
Malenga Machel	-	-	-	-
Tokkas Van Heerden	-	-	-	-
Shannon Robinson	-	-	-	-
Leapeetswe (Papi) Molotsane	-	-	-	-
Jason Brewer	-	-	-	-
Patrick Ryan	-	-	-	-
Catherine Hobbs	-	4,000,000	-	-
Shane Hartwig	-	-	-	-
Jane Flegg	-	-	-	-
Jack Toby	-	-	-	-

Commercial scale mining underway at Mansa, Northern Zambian Manganese Project

Key Management Personnel	Vested No.	Granted No.	Date Granted	Date Vested & Exercisable	Last Exercisable Date	Exercise Price	Value per option at grant date	Total Value
2013						**$**	**$**	**$**
Malenga Machel	-	-	-	-	-	-	-	-
Tokkas Van Heerden	-	-	-	-	-	-	-	-
Shannon Robinson	-	-	-	-	-	-	-	-
Leapeetswe (Papi) Molotsane	-	-	-	-	-	-	-	-
Jason Brewer	-	-	-	-	-	-	-	-
Jane Flegg	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
2012						**$**	**$**	**$**
Malenga Machel	-	-	-	-	-	-	-	-
Jason Brewer	-	-	-	-	-	-	-	-
Shannon Robinson	-	-	-	-	-	-	-	-
Patrick Ryan	-	-	-	-	-	-	-	-
Catherine Hobbs	-	4,000,000	9 Aug 2011	-	15 Jun 2015	0.03	0.015	60,000
Shane Hartwig	-	-	-	-	-	-	-	-
Jane Flegg	-	-	-	-	-	-	-	-
Jack Toby	-	-	-	-	-	-	-	-
	-	4,000,000						60,000

The assessed fair value at grant date of options granted to individuals is allocated over the period from grant date to vesting date, and the amount is included in the tables above. Where the vesting period is uncertain the total value of the options is expensed at the time of issue.

The fair values of unlisted options at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the expected dividend yield and the risk-free interest rate for the term of the option.

The options issued during 2012 were unlisted and therefore valued using a Black-Scholes option pricing model with the following inputs:

		2012
(i)	Exercise Price	$0.03
(ii)	Grant Date	9 Aug 2011
(iii)	Expiry Date	15 Jun 2015
(iv)	Share Price at Grant Date	$0.02
(v)	Expected Volatility of the Group's Shares	125%
(vi)	Expected Dividend Yield	Nil
(vii)	Risk-Free Interest Rate	3.84%

Based on the above inputs, the value per option at grant date was determined to be $0.015.

Issued, unvested options at 30 June 2013 are as follows:

	2013	2013	2013
	Options Granted as Part of Remuneration	Vested to date	Maximum Total Value of Grant yet to Vest
	$	%	$
Malenga Machel	-	-	-
Tokkas Van Heerden	-	-	-
Shannon Robinson	-	-	-
Leapeetswe (Papi) Molotsane	-	-	-
Jason Brewer	-	-	-
Jane Flegg	-	-	-
	-	-	-

Trading In The Group's Securities By Directors, Officers, And Employees

The Board has adopted a policy in relation to dealings in the securities of the Group which applies to all directors and employees. Under the policy, the directors, officers and employees are prohibited from dealing in the Group's securities whilst in possession of price sensitive information and also prohibited from short term or "active" trading in the Group's securities. The directors, officers and employees should also prevent dealing in the Group's securities during specific blackout periods. The Company Secretary or a director must be notified upon a trade occurring.

The policy is provided to all directors and employees. Compliance with it is reviewed on an ongoing basis in accordance with the Group's risk management systems.

There were no loans to directors during the financial year.

This is the end of the audited remuneration report.

During the financial year, five meetings of directors were held. Attendances by each director during the year were as follows:

Board Meetings		
Director	**Held and Eligible to Attend**	**Attended**
Mr Malenga Machel	5	4
Mr Tokkas Van Heerden *(from 14 January 2013)*	3	3
Mr Leapeetswe (Papi) Molotsane *(from 14 January 2013)*	3	2
Ms Shannon Robinson	5	5
Mr Jason Brewer *(to 14 January 2013)*	2	1

Indemnifying and Insuring Directors, Officers or Auditors

During the financial year, the Group paid premiums for Directors and Officers liability insurance of $16,884.

Except as disclosed above, the Group has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Group or a related body corporate:

a) indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or

b) paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Options

At the date of this report, the unissued ordinary shares of Kaboko Mining Limited under option are as follows:

Expiry Date	Exercise Price	Number of Options
31/08/2016[1]	$0.012	292,289,368
31/01/2016	$0.01	56,800,000
28/09/2015	$0.02	25,000,000
24/12/2015	$0.02	23,666,667
15/07/2015	$0.03	4,000,000
01/12/2014	$0.022	9,979,382
		411,735,417

[1] *Listed Options Entitlement Issue completed September 2013*

During the year ended 30 June 2013 and as of the date of this report, no ordinary shares were issued by virtue of the exercise of options.

No person entitled to exercise any of these options had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Proceedings On Behalf Of Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Non-Audit Services

The board of directors is satisfied that the provision of non-audit services during the year (if any) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and APES 110 Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

BDO Perth provided non-audit services to the parent company of $40,853 (note 18) in relation to tax compliance and other assurance services received during the year (2012: $11,689).

Auditor's Independence Declaration

In accordance with the Corporations Act 2001 section 307C a signed Auditor's Independence Declaration to the directors in relation to the year ended 30 June 2013 has been provided to the Group and can be found on the following page.

This report is made in accordance with a resolution of the directors.

Tokkas Van Heerden
Executive Director
Dated this 27th day of September 2013

Competent Person's Statement

The information in this report that relates to results is based on information reviewed and compiled by Mr Francois Martins, who is a registered natural scientist and a member of the South African Council for Natural Scientific Professions. Mr Martins is employed by Kaboko Mining Limited and has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Coal Resources and Ore Reserves. Mr Martins consents to the inclusion in this report of this information in the form and context in which it appears.

AUDITORS INDEPENDENCE DECLARATION

BDO

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Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF KABOKO MINING LTD

As lead auditor of Kaboko Mining Ltd for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kaboko Mining Ltd and the entities it controlled during the period.

Glyn O'Brien
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia
Dated 27 September 2013

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group 2013 $	Group 2012 $
Revenue and other income	2	621,389	17,268
Corporate and operational costs		(1,694,521)	(1,329,186)
Consulting costs		(364,361)	(360,513)
Depreciation		(268,934)	(132,013)
Directors' costs		(300,296)	(377,520)
Employee benefits expense		(323,762)	(344,987)
Finance costs		(420,783)	(113,534)
Legal costs		(277,911)	(190,036)
Occupancy expenses		(3,163)	(169,881)
Share based payment expenses	14	(553,000)	(899,482)
Evaluation of new opportunities		(469,510)	-
LOSS BEFORE INCOME TAX EXPENSE		(4,054,852)	(3,899,884)
Income tax expense	3	-	-
LOSS AFTER INCOME TAX EXPENSE FROM CONTINUING OPERATIONS		(4,054,852)	(3,899,884)
Loss from discontinued operation	15	(141,633)	(3,254,795)
LOSS FOR THE YEAR		(4,196,485)	(7,154,679)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that may be reclassified to profit or loss			
Foreign currency translation		2,025,553	216,806
Income tax relating to components of other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME/(LOSS) AFTER INCOME TAX		2,025,553	216,806
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(2,170,932)	(6,937,873)
NET LOSS IS ATTRIBUTABLE TO:			
Owners of Kaboko Mining Limited		(4,027,966)	(6,895,509)
Non-controlling interest		(168,519)	(259,170)
		(4,196,485)	(7,154,679)
TOTAL COMPREHENSIVE LOSS IS ATTRIBUTABLE TO:			
Owners of Kaboko Mining Limited		(2,002,413)	(6,678,703)
Non-controlling interest		(168,519)	(259,170)
		(2,170,932)	(6,937,873)
EARNINGS/(LOSS) PER SHARE FOR LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic loss per share (cents per share)	4	(0.56)	(0.86)
Diluted loss per share (cents per share)	4	(0.56)	(0.86)
EARNINGS/(LOSS) PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic loss per share (cents per share)	4	(0.58)	(1.52)
Diluted loss per share (cents per share)	4	(0.58)	(1.52)

The financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	Group 2013 $	Group 2012 $
CURRENT ASSETS			
Cash and cash equivalents		266,764	206,513
Trade and other receivables	5	22,619	700,037
		289,383	906,550
Non-current assets classified as held for sale	15	-	49,207
TOTAL CURRENT ASSETS		289,383	955,757
NON-CURRENT ASSETS			
Plant and equipment	6	2,326,832	1,155,162
Mineral exploration expenditure	7	21,975,352	11,635,080
TOTAL NON-CURRENT ASSETS		24,302,184	12,790,242
TOTAL ASSETS		24,591,567	13,745,999
CURRENT LIABILITIES			
Trade and other payables	8	939,837	697,655
Borrowings	9	4,515,460	1,967,691
Deferred acquisition liability	22	216,200	696,200
		5,671,497	3,361,546
Liabilities directly associated with assets classified as held for sale	15	-	16,089
TOTAL CURRENT LIABILITIES		5,671,497	3,377,635
NON-CURRENT LIABILITIES			
Deferred tax liability	3	6,643,825	3,717,257
Borrowings	9	1,594,154	-
Derivative financial instrument	10	33,437	-
Deferred acquisition liability	22	1,835,601	3,035,601
TOTAL NON-CURRENT LIABILITIES		10,107,017	6,752,858
TOTAL LIABILITIES		15,778,514	10,130,493
NET ASSETS		8,813,053	3,615,506
EQUITY			
Contributed equity	11	23,003,614	21,315,614
Shares and options to issue	12	5,680,000	-
Reserves	13	2,100,752	3,384,289
Accumulated losses		(21,736,038)	(21,017,162)
Equity attributable to owners of Kaboko Mining Limited		9,048,328	3,682,741
Non-controlling interest		(235,275)	(67,235)
TOTAL EQUITY		8,813,053	3,615,506

The financial statements should be read in conjunction with the accompanying notes.

	Note	Group 2013 $	Group 2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	118,471
Payments to suppliers and employees		(1,240,318)	(1,800,363)
Interest received		3,597	6,951
Other income		-	10,317
NET CASH USED IN OPERATING ACTIVITIES	17	(1,236,721)	(1,664,624)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for mineral exploration expenditure	7	(2,975,265)	(2,346,793)
Net cash on acquisition of subsidiary	22(b)	-	125,645
Purchase of plant and equipment		(1,520,604)	(1,111,649)
Loans advanced to other parties		-	(878,488)
Proceeds on disposal of Australian tenements		17,792	-
Proceeds on disposal of subsidiary	15	50,000	-
Proceeds from sale of other fixed assets		80,000	
NET CASH USED IN INVESTING ACTIVITIES		(4,348,077)	(4,211,285)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity issues		502,647	4,145,534
Payments for capital raising expenses		-	-
Proceeds from borrowings		6,141,588	1,849,187
Repayment of borrowings		(1,000,000)	(353,815)
NET CASH FROM FINANCING ACTIVITIES		5,644,235	5,640,906
NET INCREASE/(DECREASE) IN CASH HELD		59,437	(235,003)
Impact of movement in foreign exchange rates		814	(5,324)
Cash and cash equivalents at beginning of year		206,513	446,840
CASH AND CASH EQUIVALENTS AT END OF YEAR (I)		266,764	206,513

(i) Subsequent to 30 June 2013, the Group received A$290k in an Entitlement Issue and USD $1.16m (AUD $1.27m) in accordance with the Secured Prepayment Debt Facility with the Noble Group (refer to note 27).

The financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

Group	Issued Capital $	Option Reserve $	Currency Translation Reserve $	Other Reserve $	Accumulated Losses $	Equity Attributable to Owners of Kaboko Mining Ltd $	Non-Controlling Interests $	Total Equity $
At 1 July 2011	14,257,930	3,309,090	(191,741)	-	(14,121,653)	3,253,626	-	3,253,626
Currency translation	-	-	216,806	-	-	216,806	-	216,806
Loss for year	-	-	-	-	(6,895,509)	(6,895,509)	(259,170)	(7,154,679)
Total comprehensive income/(loss) for the year	-	-	216,806	-	(6,895,509)	(6,678,703)	(259,170)	(6,937,873)
Transactions with owners in their capacity as owners								
Securities issued	7,762,412	834,959	-	-	-	8,597,371	-	8,597,371
Equity raising costs	(704,728)	-	-	-	-	(704,728)	-	(704,728)
Non-controlling interest on acquisition of subsidiaries	-	-	-	-	-	-	(109,317)	(109,317)
Transactions with non-controlling interests	-	-	-	(784,825)	-	(784,825)	301,252	(483,573)
At 30 June 2012	21,315,614	4,144,049	25,065	(784,825)	(21,017,162)	3,682,741	(67,235)	3,615,506

The financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Issued Capital	Shares & Options to be Issued	Option Reserve	Currency Translation Reserve	Other Reserve	Accumulated Losses	Equity Attributable to Owners of Kaboko Mining Ltd	Non-Controlling Interests	Total Equity
At 1 July 2012	21,315,614	-	4,144,049	25,065	(784,825)	(21,017,162)	3,682,741	(67,235)	3,615,506
Currency translation	-	-	-	2,025,553	-	-	2,025,553	-	2,025,553
Loss for year	-	-	-	-	-	(4,027,966)	(4,027,966)	(168,519)	(4,196,485)
Total comprehensive income/(loss) for the year	-	-	-	2,025,553	-	(4,027,966)	(2,002,413)	(168,519)	(2,170,932)
Transactions with owners in their capacity as owners									
Securities issued	1,770,000	-	-	-	-	-	1,770,000	-	1,770,000
Equity raising costs	(82,000)	-					(82,000)	-	(82,000)
Expiry of options	-	-	(3,309,090)	-	-	3,309,090	-	-	-
Non-controlling interest on incorporation of Mwambya Mining Ltd	-	-	-	-	-	-	-	479	479
Acquisition of AAMD (note 22)		5,680,000	-	-	-	-	5,680,000	-	5,680,000
At 30 June 2013	23,003,614	5,680,000	834,959	2,050,618	(784,825)	(21,736,038)	9,048,328	(235,275)	8,813,053

The financial statements should be read in conjunction with the accompanying notes.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of Kaboko Mining Limited and Controlled Entities (the "Group").

Kaboko Mining Limited is a listed public company, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Kaboko Mining Limited, have not been presented within this financial report as permitted by the Corporations Act 2001. Financial information for Kaboko Mining Limited as an individual entity is disclosed in note 16.

Kaboko Mining Ltd is a for-profit entity for the purposes of preparing the financial statements.

Basis of Preparation of Accounts

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. The financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on a historical cost basis, except for any available-for-sale financial assets that have been measured at fair value. The presentation currency used in this financial report is Australian Dollars.

This financial report is issued in accordance with a resolution of the directors of the Group on the same date as the Directors' Declaration which is contained with these financial statements.

Functional and Presentation Currency

The presentation currency of the Group is Australian dollars. The functional currency of the Group is Australian dollars.

Summary of Accounting Policies

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

a) Principles of Consolidation

Subsidiaries

A controlled entity is any entity over which Kaboko Mining Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in note 23 to the financial statements.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Principles of Consolidation (Cont'd)

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Disposals to non-controlling interest results in gains and losses for the Group that are recorded in the profit or loss. Purchases from non-controlling interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

All inter-group balances and transactions between entities in the consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income and statement of financial position respectively.

Changes in Ownership Interests

The Group treats transactions with non-controlling interest that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Kaboko Mining Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained recognised in other comprehensive income in respect of that entity or financial asset. In addition, any amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control; or significant influence is retained, on a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where applicable.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Principles of Consolidation (Cont'd)

Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On and acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

All purchase consideration is recorded at fair value at the acquisition date. Contingent payments classified as debt are subsequently remeasured through profit or loss.

Acquisition –related costs are expensed as incurred.

Non-controlling interests in an acquiree are recognised either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

If the Group recognises previous acquired deferred tax assets after the initial acquisition accounting is completed there will not be any adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the Group's net profit after tax.

b) Foreign Currency Translation

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Foreign Currency Translation (Cont'd)

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

c) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Income Tax (Cont'd)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.
Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and a settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

e) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand, bank deposits repayable on demand at reporting date and short-term deposits with a maturity of three months or less. Cash equivalents include deposits that are readily convertible to a known amount of cash and subject to only an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Revenue Recognition

Revenue is measured at the fair value of gross consideration received or receivable. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for the Group's activities. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of Goods

Sales earned during the testing period/before mine reaches commercial production are offset against exploration and or development and not taken to the profit or loss.

Revenue from the sale of goods and disposal of other assets once commercial production has been achieved is recognised when persuasive evidence, usually in the form of an executed sales agreement, or an arrangement exists, indicating there has been a transfer of risks and rewards to the customer, no further work or processing is required by the Group, the quantity and quality of the goods has been determined with reasonable accuracy, the price can be reasonably estimated, and collectability is reasonably assured.

The Group recognises revenue when the risks and rewards transfers to the buyer which is typically the bill of loading date.

Interest revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST) and (VAT).

g) Goods and Services Tax (GST) and (VAT)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

h) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases (note 19). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

j) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, eg as the result of a share buy-back, those instruments are deducted from the equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributed incremental costs (net of income taxes) is recognised directly in equity.

k) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation
The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the consolidated Group commencing from the time the asset is held ready for use.
The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Zambia	
Motor vehicles	20-40%
Plant & equipment	16.67% - 66.67%

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k) Plant and Equipment (Cont'd)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

l) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the originals terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy of financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of provision is recognised in the profit or loss within other expenses.

m) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and they are usually paid within 30 days of recognition.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n) Financial Instruments

Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 5) in the statement of financial position.

(ii) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition, Initial Measurement and De-recognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the profit or loss as gains and losses from investment securities.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and are subsequently carried at fair value. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Details on how the fair value of financial instruments is determined are disclosed in note 25.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n) Financial Instruments (Cont'd)

Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the profit or loss. Impairment losses recognised in the profit or loss on equity instruments classified as available-for-sale are not reversed through the profit or loss.

o) Derivatives and Hedging Activities

Derivative instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- Hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedge).

At the inception of the hedging transaction, the Group documents the relationship between the hedging instrument and the hedged item, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at the hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been, and will continue to be, highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is greater that twelve months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than twelve months. Trading derivatives are classified as a current asset or liability.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Consolidated Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the ineffective portion is recognised in the Consolidated Income Statement within other income or other expenses.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

o) Derivatives and Hedging Activities (Cont'd)

The Group did not have any fair value hedges in the period covered by these financial statements.

Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised through other comprehensive income in the hedging reserve. The gain or loss relating to any ineffective portion is recognised immediately in the Consolidated Income Statement within other income or other expenses.

Amounts accumulated in equity are recognised in the Consolidated Income Statement in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting
Changes in the fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in the Consolidated Income Statement and are included in other income or other expenses.

Fair value of option and share repricing liability
The fair value of the option and share repricing liability is determined based on computing the fair value of the related share options using a black-scholes pricing model which takes into account the exercise price, the term of the option, the Company's share price at reporting period, the expected volatility of the underlying share price and the risk-free interest rate (based on government bonds)

p) Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

q) Share-Based Payments

Share-based compensation benefits to directors, employees and consultants are provided at the discretion of the board.

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the recipient becomes unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the profit or loss with a corresponding adjustment to equity.

r) Earnings/(Loss) per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no considerations in relation to dilutive potential ordinary shares.

s) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors who is responsible for making strategic decisions.

t) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

u) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities, which are not an incremental costs relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

v) Borrowings Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

w) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

x) Non-current Assets (or Disposal Groups) Held for Sale and Discontinued Operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered to be highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets, and investment property that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

x) Non-current Assets (or Disposal Groups) Held for Sale and Discontinued Operations (Cont'd)

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are classified separately from other liabilities in the statement of financial position.

A discontinued operation is a component of an entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated statement of profit or loss and other comprehensive income.

y) Significant Accounting Judgements, Estimates and Assumptions

Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) Exploration and evaluation assets

The Group's accounting policy for exploration and evaluation expenditure is set out above. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves are found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under our policy, we conclude that we are unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to profit or loss.

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Key Estimates

(i) Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, and are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

y) Significant Accounting Judgements, Estimates and Assumptions (Cont'd)

(ii) Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences when management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

(iii) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes option pricing model, using the assumptions detailed in note 14.

(iv) Deferred acquisition liability

As disclosed at note 22, the Group has recorded deferred consideration of $9,534,028 at 30 June 2013, of which $5,680,000 relates to milestone payments and $2,051,801 relates to a royalty payable to the vendors of African Asian Mining Development Ltd. Both components of the deferred consideration are subject to judgements and estimates and therefore are subject to change as the underlying assumptions change.

At 30 June 2013, milestone payments have been estimated based on a 100% probability that the performance milestones as detailed in note 22(a)(ii) and (iii) will be met in the stated timeframes. Should the milestones not be met, or not be met in accordance with the timeframes, actual milestone payments will be less than milestone payments those recorded at 30 June 2013.

Details of the royalty payable to the vendors of African Asian Mining Development Lt can be found in note 22(a)(iv). At 30 June 2013, the estimated royalty payable has been determined based on forecast run of mine production over the life of the mine using a discount rate of 16.5%. Should run of mine production be significantly different than forecast and/or not proceed in accordance with the expected timeframe, the royalty payable may be significantly different than that recorded at 30 June 2013. Significant changes in either the Group's borrowing rate or cost of capital will impact the Group's discount rate, which may also cause the royalty payable to differ significantly from that recorded at 30 June 2013.

z) Going Concern

The Directors have prepared the financial statements on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred losses of $4,196,485 for the year ending 30 June 2013. The Group also had net cash outflows from operating activities for the year of $1,236,721 and net current liabilities of $5,382,114.

The Directors believe the Group will be able to raise the funds necessary to meet their current liabilities and commitments from the profitable sale of manganese from its Zambian Projects and further capital raising.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

z) Going Concern (Cont'd)

As announced 30 July 2012, the Group has entered into a USD $10,000,000 Secured Prepayment Debt Facility and a 10 year binding Manganese Ore Off-Take Agreement with the Noble Resources International Pte, a subsidiary of Noble Group Limited.

The ability of the Group to continue as a going concern and settle its current liabilities is fundamentally dependent upon the ability of the Group to mine its projects profitably and/or raise additional funding for future activities. The Directors consider that there are reasonable grounds to believe that the Group will fulfil the agreement's conditions precedent and/or raise additional funding as necessary.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

NOTE 2. REVENUE AND EXPENSES

The profit/(loss) before income tax has been determined after:

REVENUE FROM CONTINUING OPERATIONS		
Interest received	3,597	6,951
Rent received	-	7,100
Other revenue	17,792	3,217
TOTAL REVENUE	21,389	17,268
OTHER INCOME FROM CONTINUING OPERATIONS		
Gain on debt settlement	600,000	-
TOTAL OTHER INCOME	600,000	-
TOTAL REVENUE AND OTHER INCOME FROM CONTINUING OPERATIONS	621,389	17,268

CHARGING AS EXPENSES FROM CONTINUING OPERATIONS		
Consulting costs	364,361	360,513
Depreciation	268,934	132,013
Employee benefits and directors costs	624,058	722,507
Finance costs associated with derivatives	256,368	-
Interest expense	164,415	113,534
Legal costs	277,911	190,036
Rental expense on operating lease	3,163	169,881
Administration costs	1,352,596	993,712
Operating expenses	341,925	335,474
New opportunity evaluation	469,510	-
Share based payment expense	553,000	899,482
Unrealised exchange loss	-	1,650
TOTAL EXPENSES FROM CONTINUING OPERATIONS	4,676,241	3,917,152

NOTE 3. INCOME TAX

	Group 2013 $	Group 2012 $
INCOME TAX BENEFIT		
Numerical reconciliation between tax expense and pre-tax net loss:	-	-
LOSS BEFORE INCOME TAX BENEFIT	(4,196,485)	(7,154,679)
Income tax using the Group's domestic tax rate of 30%	(1,258,946)	(2,146,404)
Foreign tax rate differential of 5%	(15,159)	(357,734)
Expenditure not allowable for income tax purposes	353,562	529,970
Share based payments	165,900	269,845
Deferred tax assets not brought to account as realisation is not considered probable	754,643	1,704,323
INCOME TAX BENEFIT (EXPENSE) ATTRIBUTABLE TO ENTITY	-	-
Fair value adjustment on mineral exploration expenditure on AAMD's acquisition of its subsidiaries	(5,795,688)	(268,105)
Currency exchange adjustment	(848,137)	(11,361)
Net deferred tax asset/(liability)	(6,643,825)	(3,717,257)

NOTE 4. EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

From continuing operations attributable to the ordinary equity holders of the Company	(0.56)	(0.86)
From discontinued operations attributable to the ordinary equity holders of the Company	(0.02)	(0.66)
Total basic earnings per share attributable to the ordinary equity holders of the Company	(0.58)	(1.52)

DILUTED EARNINGS PER SHARE

The Group's potential ordinary shares were not considered dilutive, and as a result, diluted EPS is the same as basic EPS.

Potential ordinary shares that could dilute EPS in the future:		
Weighted average number of ordinary shares (basic)	697,018,246	454,388,494
Effect of share options on issue *(i)*	411,735,417	410,043,620
Weighted average number of ordinary shares (diluted) at 30 June	1,108,753,663	864,432,114

(i) Includes options issued subsequent to financial year end in the Company's Option rights Issue completed in September 2013

RECONCILIATIONS OF EARNINGS/(LOSS) USED IN CALCULATING EARNINGS PER SHARE

Net loss from continuing operations attributable to the ordinary equity holders of the Company	(3,886,333)	(3,640,714)
Net loss from discontinued operations attributable to the ordinary equity holders of the Company	(141,633)	(3,254,795)
Net loss used in the calculation of basic and dilutive EPS	(4,027,966)	(6,895,509)

WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

	No.	No.
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and dilutive earnings per share	697,018,246	454,388,494

NOTE 5. TRADE AND OTHER RECEIVABLES

Other debtors and prepayments	22,619	25,447
Other receivables	-	674,590
	22,619	700,037

Other debtors are non-interest bearing and generally on 30 day terms.

Other receivables generally arise from transactions outside the usual operating activities of the Group. They are non-interest bearing and have no set terms of repayment.

Due to the short term nature of the debtors and receivables balances, their carrying amounts are assumed to approximate their fair values.

Information on the Group's exposure to foreign currency risk is disclosed in note 25. The Group has no interest risk exposure in relation to its receivables.

There were no receivables impaired during the year ended 30 June 2013 (2012: nil). There were no receivables past due, or past due but not impaired, at 30 June 2013 (2012: nil).

NOTE 6. PLANT AND EQUIPMENT

	Group	
	2013 $	2012 $
Plant and Equipment		
At cost	2,739,911	1,268,232
Accumulated depreciation	(413,079)	(113,070)
Total Plant and Equipment	2,326,832	1,155,162

NOTE 6. PLANT AND EQUIPMENT (CONT'D)

MOVEMENTS IN THE CARRYING AMOUNT OF PLANT AND EQUIPMENT

	Furniture, fittings, and equipment	Machinery and vehicles	Land and buildings	Total
At 30 June 2012				
Opening net book amount	180,050	-	-	180,050
Additions	497,029	614,620	-	1,111,649
Acquired balances (note 22)	84,192	37,757	-	121,949
Grants Ridge assets written off	(28,784)	-	-	(28,784)
Other assets written off	(73,282)	-	-	(73,282)
Depreciation from continuing operations	(87,891)	(44,122)	-	(132,013)
Depreciation from discontinued operations (note 15)	(47,863)	-	-	(47,863)
Currency exchange adjustment	13,227	10,229	-	23,456
Closing net book amount	536,678	618,484	-	1,155,162
			-	
Year ended 30 June 2013				
Opening net book amount	536,678	618,484	-	1,155,162
Additions	529,424	857,994	135,889	1,523,307
Disposals	(50,400)	(234,042)	-	(284,439)
Depreciation from continuing operations	(115,865)	(153,069)	-	(268,934)
Currency exchange adjustment	241,697	(39,961)		201,736
Closing net book amount	1,141,534	1,049,406	135,889	2,326,832

NOTE 7. MINERAL EXPLORATION EXPENDITURE

	Group 2013 $	Group 2012 $
At the beginning of the financial year	11,635,080	3,185,245
Expenditure incurred during the year	2,975,265	2,346,793
Exploration expenditure acquired (note 22)	-	9,660,748
Adjustment to Exploration expenditure acquired (note 22)	5,849,630	-
Pre-production revenue offset against exploration expenditure	-	(52,754)
Transfer to mineral exploration expenditure held for sale	-	(49,207)
Grants Ridge exploration expenditure impaired (note 15)	-	(2,789,758)
Currency exchange adjustment	1,515,377	(665,987)
Total Mineral Exploration Expenditure	21,975,352	11,635,080

Recoverability of the carrying amount of the capitalised mineral exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

Pre-production revenue and costs will be offset against exploration expenditure until commercial production levels are achieved.

The group holds several exclusive prospecting licences in Zambia which provide the legal right to exploration and underpins the exploration and evaluation expenditure asset a 30 June 2013.

Certain Zambian exploration projects were in the process of being renewed at 30 June 2013. The Group has lodged the necessary forms and expects the renewal to be granted in due course.

NOTE 8. TRADE AND OTHER PAYABLES

	Group 2013 $	Group 2012 $
Trade creditors	386,113	250,837
Sundry creditors and accrued expenses	553,724	446,818
	939,837	697,655

Trade creditors and sundry creditors are non-interest bearing and generally on 30 day terms.

NOTE 9. BORROWINGS

	Group 2013 $	Group 2012 $
CURRENT		
Noble Group drawdowns (i)	4,341,588	-
Unsecured other loans (ii)	173,872	390,814
Unsecured other loans (iii)		1,576,877
	4,515,460	1,967,691
NON- CURRENT		
Unsecured other loans (iii)	1,594,154	-
	1,594,154	-
Total Borrowings	**6,109,614**	**1,967,691**

(i) Noble Group drawdowns relate to proceeds received under the $10,000,000 prepayment debt facility and long term manganese off-take agreement. Interest on the proceeds is payable in manganese at 9.5%. These proceeds are treated as borrowings pending satisfaction of all conditions precedent to the facility. As at the date of this report amendments to the facility were being prepared and subsequently executed on 27 July 2013. Upon satisfaction of conditions precedent in the amended agreements, Noble Group drawdowns will be transferred from borrowings to deferred revenue. Subject to completion of conditions precedent and satisfaction of terms in the amended agreement, the funds will be secured over all assets of the Group including the Company's shareholding in AAMD.

(ii) Non-interest bearing with no set term of repayment.

(iii) Interest bearing at a rate of 10% per annum and secured by way of a corporate guarantee and undertaking. The loan is repayable by 31 December 2014 (30 June 2012: repayment date of 31 December 2012).

The parent entity issued $1,000,000 of convertible notes in October 2012. The notes and corresponding interest were convertible at the option of the holder at the holder's elected conversion price, which is either 80% of the 10 day VWAP at the original maturity date of 28 November 2012 or 130% of the 10 day VWAP at the effective date of 28 September 2012. 5,420,401 shares having a total value of $75,000 and 5,000,000 options exercisable at $0.02 on or before 28 September 2015 were issued to the convertible note holder as consideration for the provision of the convertible note in lieu of interest. In November 2012 the maturity date of the note was extended from 28 November 2012 to 28 February 2013, and further extended to 31 March 2013. The Group also paid the note holder a $5,000 per month research & brokerage fee for 4 months and has issued a further 23,666,667 shares having a total value of $142,000 and 23,666,667 options exercisable at $0.02 on or before 24 December 2015 to the convertible note holder as consideration for the maturity date extension in lieu of interest. The Group settled the loan in April 2013.

NOTE 9. BORROWINGS (CONT'D)

Movement in the convertible note is as follows:

	2013 $	2012 $
Carrying amount at 1 July	-	-
Proceeds on issue of convertible note	1,000,000	-
Amount classified as derivative (note 10)	(378,939)	
Amount classified as equity	(75,000)	-
Additional amount classified as derivative upon extension of convertible note(note 10)	(272,244)	
Additional amount classified as equity upon extension of convertible note	(142,000)	-
Interest accretion	868,183	-
Settlement of loan	(1,000,000)	
	-	-

NOTE 10. DERIVATIVE FINANCIAL INSTRUMENT

The Group has the following derivative financial instruments:

	2013 $	2012 $
Derivative liability from convertible note (i)	33,437	-
	33,437	-

Pursuant to the accounting standards the option component of the convertible note is classified as a liability. The value of the derivative fluctuates with the Company's underlying share price, volatility of the company share price, and the time to expiry. The change in the value of the derivative between inception date and 30 June 2013 due to the difference in the Company's share price between inception date and 30 June 2013 is recognised as an unrealised gain within other revenue.

(i) **Derivative liability from convertible note**

Movements in the derivative liability from convertible note during the year are as follows:

	2013 $	2012 $
Carrying amount at 1 July	-	-
Recognition of convertible note derivative	336,124	
Recognition of option derivative	42,815	-
Additional convertible note derivative upon extension of convertible note	142,633	
Additional option derivative upon extension of convertible note	129,610	
Fair value movement	(611,815)	
De-recognition on settlement	(5,930)	-
	33,437	-

NOTE 11. ISSUED CAPITAL

	Group 2013 $	2012 $
870,832,529 (2012: 644,250,815) fully paid ordinary shares	23,003,614	21,315,614
	23,003,614	21,315,614

MOVEMENTS IN ORDINARY SHARES - 2013	No.	$
At the beginning of the financial year	644,250,815	21,315,614
Shares issued during the year:		
03/10/2012 - Shares issued at $0.015 per share in accordance with a mandate in respect of the $10m debt facility with Noble Group (i)	18,679,141	274,994
05/10/2012 - Shares issued at $0.014 per share in accordance with Convertible note agreement	5,420,401	75,000
24/12/2012- Shares issued at $0.014 per share in consideration for the extension of the convertible note facility	23,666,667	142,000
12/03/2013 - Shares placed at $0.01 per share to sophisticated and institutional investors	60,000,000	600,000
21/03/2013 - Shares issued at $0.015 per share in accordance with a mandate in respect of the $10m debt facility with Noble Group (i)	18,815,505	278,006
28/06/2013 - Shares issued at $0.01 per share on settlement of debt	100,000,000	400,000
Share issue expenses	-	(82,000)
AT THE END OF THE FINANCIAL YEAR	870,832,529	23,003,614

(i) Refer to note 14 for details of share based payments made during the year.

NOTE 11. ISSUED CAPITAL (CONT'D)

MOVEMENTS IN ORDINARY SHARES - 2012

	No.	$
At the beginning of the financial year	285,125,188	14,257,930
Shares issued during the year:		
19/10/2011 - Shares issued at $0.022 per share pursuant to a pro-rata entitlements issue	139,952,939	2,945,856
03/11/2011- Shares issued as consideration for 100% of the share capital of AAMD (i)(note 21)	75,000,000	1,802,226
03/11/2011- Shares issued in relation to the acquisition of 100% of the share capital of AAMD	5,000,000	197,774
19/03/2012 – Shares placed at $0.02 per share to sophisticated and institutional investors	50,000	1,100
30/03/2012 – Shares placed at $0.02 per share to sophisticated and institutional investors	66,100,000	1,322,000
30/03/2012 – Shares issued to underwriter of the pro-rata entitlements issue (i)	15,371,938	338,183
30/03/2012 – Shares issued to consultants at $0.02 per share (i)	8,000,000	160,000
30/03/2012 – Shares issued on the conversion of options	750	23
30/03/2012 –Shares issued pursuant to the Grants Ridge Joint Venture Agreement (i)	750,000	17,250
06/07/2012 – Shares placed at $0.02 per share to sophisticated and institutional investors(ii)	13,900,000	278,000
06/07/2012 – Shares issued to consultants at $0.02 per share (i)	8,000,000	160,000
06/07/2012 – Shares issued at $0.02 as consideration for placement (i)	3,000,000	60,000
14/08/2012 – Shares issued as consideration for additional 24% of Impondo Zambia Ltd share capital (i)(iii)	24,000,000	480,000
Share issue expenses	-	(704,728)
AT THE END OF THE FINANCIAL YEAR	644,250,815	21,315,614

(i) Refer to note 14 for details of share based payments that were made during the year.

(ii) Shares were issued post year end, however as cash was received before year end these shares have been reflected at 30 June 2012.

(iii) Additional 24% shareholding in Impondo Zambia Ltd was acquired by African Asian Mining Development Ltd in June 2012. These Shares were granted at the 29 June 2012 General Meeting of Shareholders and are therefore reflected in the 30 June 2012 balance even though their issue date is post year end.

CAPITAL MANAGEMENT

Management controls the capital of the Group comprising the liquid assets held by the Group in order to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

NOTE 11. ISSUED CAPITAL (CONT'D)

TERMS AND CONDITIONS OF CONTRIBUTED EQUITY

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Group, to participate in the proceeds from sale of all surplus assets in proportion to the number of, and amounts paid up, of shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at any meeting of the Group.

OPTIONS

Information relating to share options on issue at the end of the financial year is as follows:

Expiry Date	Exercise Price	Number of Options
31/01/2016	$0.01	56,800,000
28/09/2015	$0.02	25,000,000
24/12/2015	$0.02	23,666,667
15/07/2015	$0.03	4,000,000
01/12/2014	$0.022	9,979,382
		119,446,049

NOTE 12: SHARES AND OPTIONS TO BE ISSUED

As part of the consideration of the acquisition of African Asian Mining Development Ltd ("AAMD") (note 22) the Group has committed to issuing the following milestone shares and options:

- 80,000,000 Shares and 80,000,000 free attaching options exercisable at $0.08 on or before 1 April 2014 on the date the Zambian Manganese Projects achieve a minimum of 10,000,000 tonnes of JORC (or equivalent) manganese resource, subject to achievement of the performance milestone on or before 1 April 2014. A value of $2,480,000 has been assigned to these shares and options based upon a 100% probability of meeting the performance milestone.

- 80,000,000 Shares and 80,000,000 free attaching options exercisable at $0.08 on or before 1 April 2014 on the date the Zambian Manganese Projects achieve a minimum manganese production of 30,000 tonnes per month of JORC (or equivalent) Saleable Manganese Ore for at least 3 months within any 6 month period, provided that it is achieved within 30 months from the executive of the share sale agreement. A value of $3,200,000 has been assigned to these shares and options based upon a 100% probability of meeting the performance milestone.

	Group	
	2013 $	2012 $
80,000,000 (2012: nil) fully paid ordinary shares	2,000,000	-
80,000,000 (2012: nil) fully paid ordinary shares	2,000,000	-
80,000,000 (2012: nil) unlisted options (8 cents, 1/04/2014)	480,000	-
80,000,000 (2012: nil) unlisted options (8 cents, 1/04/2014)	1,200,000	-
	5,680,000	-

NOTE 13. RESERVES

Option reserve	834,959	4,144,049
Currency translation reserve	2,050,618	25,065
Other reserve	(784,825)	(784,825)
	2,100,752	3,384,289

MOVEMENTS IN OPTION RESERVE - 2013	No.	$
At the beginning of the financial year	410,043,620	4,144,049
31/07/12 – Options expired	(90,250,709)	(3,309,090)
03/10/12 – Free attaching options issued in accordance with a mandate in respect of the $10m debt facility with Noble Group	20,000,000	-
03/10/12 – Options issued in accordance with convertible note agreement	5,000,000	-
24/12/12 – Options issued in consideration for the extension of the convertible note facility	23,666,667	-
28/06/13 – Free attaching placement options	56,800,000	-
30/06/13 – Options expired	(305,813,529)	-
AT THE END OF THE FINANCIAL YEAR	119,446,049	834,959

NOTE 13. RESERVES

Movements in option reserve - 2012	**No.**	**$**
At the beginning of the financial year	92,750,709	3,309,090
31/07/11 – Options expired	(2,500,000)	-
30/09/11 – Options issued to Managing Director Catherine Hobbs in accordance with her appointment agreement and as approved by shareholders (i)	4,000,000	60,000
19/10/11 – Free attaching options issued pursuant to pro-rata entitlements issue	112,680,201	-
19/10/11 – Options issued pursuant to pro-rata entitlements issue (i)	27,272,738	272,727
03/11/11 – Free attaching placement options	32,939,403	-
21/11/11 – Options issued to Komodo Capital Pty Ltd in accordance with a Corporate Advisor Mandate Agreement and as approved by shareholders (i)	9,979,382	129,732
29/03/12 – Free attaching placement options	50,000	-
30/03/12 – Free attaching options to underwriter of pro-rata entitlements Issue (i)	15,371,937	-
30/03/12 – Options exercised	(750)	-
06/07/12 – Free attaching placement options (ii)	55,000,000	-
06/07/12 – Options issued to brokers in lieu of cash (i)(ii)	4,500,000	58,500
06/07/12 – Options issued to consultants(i)	16,000,000	144,000
06/07/12 – Free attaching options issued as consideration for placement as approved by shareholders on 29 June 2012 (i)(ii)	17,000,000	170,000
13/07/12 – Free attaching placement options (ii)	25,000,000	-
At the end of the financial year	410,043,620	4,144,049

(i) Refer to note 14 for details of share based payments that were made during the year.
(ii) Options were granted at the 29 June 2012 General Meeting of Shareholders and are therefore reflected in the 30 June 2012 balance even though their issue date is post year end.

The option premium reserve is used to accumulate the fair value of options issued.

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The other reserve is used to record transactions with non-controlling interests, such as changes in ownership percentages of the Group's subsidiary companies where there is no change in control.

NOTE 14. SHARE BASED PAYMENTS

During the year ended 30 June 2013, the following share based payments were issued by the Group:

Date	Quantity	Security	$ Value	Description/Purpose
03/10/2012	18,679,141 and 20,000,000	Fully paid ordinary shares Free attaching unlisted options exercisable at $0.02 on or before 28 September 2015	274,994	Pursuant to a mandate for corporate advisory and introductory services received in respect of the $10M debt facility and off-take transaction with Noble Group as ratified at the Group's Annual General Meeting of Shareholders. The value of these shares has been determined based on the corresponding vendor invoice.
21/03/2013	18,815,505	Fully paid ordinary shares	278,006	Pursuant to a mandate for corporate advisory and introductory services received in respect of the $10M debt facility and off-take transaction with Noble Group as ratified at the Group's Annual General Meeting of Shareholders. The value of these shares has been determined based on the corresponding vendor invoice.

A total of $553,000 was recognised as a share based payment expense within the Consolidated Statement of Profit or Loss and Other Comprehensive Income during the year ended 30 June 2013.

NOTE 14. SHARE BASED PAYMENTS (CONT'D)

During the year ended 30 June 2012, the following share based payments were issued by the Group:

Date	Quantity	Security	$ Value	Description/Purpose
09/08/2011	4,000,000	Unlisted Options exercisable at $0.03 on or before 15 June 2015 (i)	60,000	Issued to Catherine Hobbs in accordance with her appointment agreement and as approved by shareholders. The total value of these options has been expensed during the year as their vesting period is uncertain. See (i) below for assumptions made in the valuation of these options.
19/10/2011	27,272,738	Listed options exercisable at $0.03 on or before 30 June 2013*	272,727	Issued to parties participating in a placement. The total value of these options has been included within contributed equity as a share issue cost. The value of the options has been determined based on their value at grant date as the securities were issued in accordance with an agreement rather than on receipt of invoices. See (ii) below for assumptions made in the valuation of these options.
21/11/2011	9,979,382	Unlisted Options exercisable at $0.022 on or before 1 December 2014 (ii)	129,732	Issued to Komodo Capital Pty Ltd in accordance with its Corporate Advisory Mandate as approved by shareholders. The total value of these options has been expensed during the year. See (iii) below for assumptions made in the valuation of these options.
03/11/2011	75,000,000	Fully paid ordinary shares	,802,226	Issued as consideration for 100% of the issued capital of African Asian Mining Development Group Ltd ("AAMD") (see note 22). The total value of these shares has been included within Mineral Exploration Expenditure in the Statement of Financial Position. The value of these shares has been determined based on their market value at grant date.
03/11/2011	5,000,000	Fully paid ordinary shares	197,774	Issued in relation to the acquisition of 100% of the issued capital of African Asian Mining Development Group Ltd ("AAMD").
30/03/2012	15,371,938 and 15,371,937	Fully paid ordinary shares Free attaching listed options exercisable at $0.03 on or before 30 June 2013	338,183 -	Issued to the underwriters of the pro-entitlements issue. The total value of these shares has been included within contributed equity as a share issue cost. The value of these shares has been determined based on the vendor invoices received.

NOTE 14. SHARE BASED PAYMENTS (CONT'D)

Date	Quantity	Security	$ Value	Description/Purpose
30/03/2012	750,000	Fully paid ordinary shares	17,250	Issued to Uranium Energy Corporation in accordance with the Grants Ridge Option and Joint Venture Agreement. The total value of these shares has been expensed during the year. The value of these shares has been determined based on their market value at grant date.
06/07/2012	3,000,000 and 4,500,000	Fully paid ordinary shares Listed options exercisable at $0.03 on or before 30 June 2013*	60,000 58,500	Issued to brokers in lieu of cash as consideration for capital raising services received. The total value of these shares has been included within contributed equity as a share issue cost. The value of these shares has been determined based on the vendor invoice received. The options have been assigned a value and expensed during the year based on the difference between the value of services received and value of equity issued. See (iv) below for assumptions made in the valuation of these options.
30/03/2012 & 06/07/2012	16,000,000 and 16,000,000	Fully paid ordinary shares Listed options exercisable at $0.03 on or before 30 June 2013*	320,000 144,000	Issued to consultants for not related party corporate advisory and investor relations services received. The total value of these shares and options has been expensed during the year. The value of the shares and options has been determined based on their market value at grant date as the securities were issued in accordance with an agreement rather than on receipt of a vendor invoice. See (v) below for assumptions made in the valuation of these options.
06/07/2012	17,000,000	Listed options exercisable at $0.03 on or before 30 June 2013*	170,000	Issued to consultants for corporate advisory services received. The total value of these options has been expensed during the year. The value of the shares and options has been determined based on their market value at grant date as the securities were issued in accordance with an agreement rather than on receipt of a vendor invoice. See (vi) below for assumptions made in the valuation of these options.
14/08/2012	24,000,000	Fully paid ordinary shares	480,000	Issued to non-controlling shareholders as consideration for an additional 24% of Impondo Zambia Ltd share capital. The total value of these shares is recorded as exploration expenditure at 30 June 2012. The value of these shares has been determined based on their market value at grant date. (note 22)

** These listed options have been valued using black-scholes option pricing models as they are considered to be trading in an inactive market.*

NOTE 14. SHARE BASED PAYMENTS (CONT'D)

Vesting terms and conditions and factors and assumptions used in determining the fair value of the unlisted options at grant date are as follows:

(i) 2,000,000 Options will be exercisable on and from the date the Zambian Manganese Projects achieve 3 consecutive months of manganese production at 30,000 tonnes or more, and 2,000,000 Options will be exercisable on and from the date a feasibility study is commissioned for the Grants Ridge Project in the USA.

The value of these options has been determined by using the black-scholes valuation methodology with the following inputs:

Exercise price	$0.03
Grant date	9 August 2011
Expiry date	15 June 2015
Share price at grant date	$0.020
Expected volatility of the Group's shares	125%
Expected dividend yield	Nil
Risk free interest rate	3.84%
Fair value of option at grant date	$0.015

(ii) 27,272,738 Options issued to parties participating in a placement vested upon issue.

The value of these options has been determined by using the black-scholes valuation methodology with the following inputs:

Exercise price	$0.03
Grant date	19 October 2011
Expiry date	30 June 2013
Share price at grant date	$0.020
Expected volatility of the Group's shares	125%
Expected dividend yield	Nil
Risk free interest rate	3.29%
Fair value of option at grant date	$0.010

NOTE 14. SHARE BASED PAYMENTS (CONT'D)

(iii) 9,979,382 Options issued to Komodo Capital Pty Ltd vested upon issue.

The value of these options has been determined by using the black-scholes valuation methodology with the following inputs:

Exercise price	$0.022
Grant date	21 November 2011
Expiry date	1 December 2014
Share price at grant date	$0.018
Expected volatility of the Group's shares	125%
Expected dividend yield	Nil
Risk free interest rate	3.23%
Fair value of option at grant date	$0.013

(iv) 4,500,000 Options issued to brokers in lieu of cash vested upon issue.

The value of these options has been determined by using the black-scholes valuation methodology with the following inputs:

Exercise price	$0.03
Grant date	16 February 2012
Expiry date	30 June 2013
Share price at grant date	$0.025
Expected volatility of the Group's shares	125%
Expected dividend yield	Nil
Risk free interest rate	3.29%
Fair value of option at grant date	$0.013

(v) 16,000,000 Options issued to consultants vested upon issue.

The value of these options has been determined by using the black-scholes valuation methodology with the following inputs:

Exercise price	$0.03
Grant date	10 October 2011
Expiry date	30 June 2013
Share price at grant date	$0.02
Expected volatility of the Group's shares	125%
Expected dividend yield	Nil
Risk free interest rate	3.29%
Fair value of option at grant date	$0.009

NOTE 14. SHARE BASED PAYMENTS (CONT'D)

(vi) 17,000,000 Options issued to consultants vested upon issue.

The value of these options has been determined by using the black-scholes valuation methodology with the following inputs:

Exercise price	$0.03
Grant date	27 October 2011
Expiry date	30 June 2013
Share price at grant date	$0.02
Expected volatility of the Group's shares	125%
Expected dividend yield	Nil
Risk free interest rate	3.29%
Fair value of option at grant date	$0.010

A total of $899,482 was recognised as a share based payment expense within the Consolidated Statement of Profit or Loss and Other Comprehensive Income during the year ended 30 June 2012.

The number and weighted average exercise prices of share options are as follows:

	2013 Number of Options	2013 Weighted Average Exercise Price $	2012 Number of Options	2012 Weighted Average Exercise Price $
Outstanding at the beginning of the year	79,252,120	$0.035	500,000	$0.50
Granted	-	-	78,752,120	$0.027
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Cancelled	-	-	-	-
Outstanding at year end	79,252,120	$0.035	79,252,120	$0.035
Exercisable at year end (i)	75,252,120	$0.036	75,252,120	$0.036

(i) The difference between options outstanding at year end and options exercisable at year end is 4,000,000 unvested options.

NOTE 15. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION

Discontinued Operation

The Group made the decision to dispose of its interest in Grants Ridge during the year ended 30 June 2012 to enable the Group to focus on its newly acquired Zambian manganese projects. The sale completed on 28 August 2012.

At completion, the Group received proceeds from the sale of USD $50,000.

(A) Assets Classified as Held for Sale

	2013 $	2012 $
Disposal group held for sale (discontinued operation)		
Capitalised exploration expenditure	-	49,207
Total assets of disposal group held for sale	-	49,207

(B) Liabilities Directly Associated With Assets Classified as Held for Sale

	2013 $	2012 $
Disposal group held for sale (discontinued operation)		
Trade and other creditors	-	16,089
Total liabilities associated with disposal group held for sale	-	16,089

(C) Financial Performance and Cash Flow Information

	2013 $	2012 $
Impairment	-	(2,818,542)
Operating expenses	(39,944)	(436,253)
Loss on sale	(101,689)	-
Net loss from discontinued operation	(141,633)	(3,254,795)
Net cash (outflow) from investing activities	(29,937)	(435,287)
Net cash used by the discontinued operation	(29,937)	(435,287)

NOTE 15. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION (CONT'D)

(D) DETAILS OF THE SALE

Consideration received or receivable	50,000
Total disposal consideration	50,000
Carrying amount of net assets sold	(24,427)
Foreign exchange reserve transferred from equity to profit or loss	(127,262)
Loss on sale before income tax	(101,689)
Income tax expense	-
Loss on sale after income tax	**(101,689)**

The carrying amount of assets and liabilities at the date of sale (28 August 2012) were:

Cash	1,740
Exploration expenditure	48,428
Total assets	50,168
Trade creditors and other payables	25,741
Total liabilities	25,741
Net assets	24,427

NOTE 16. PARENT ENTITY

Financial information on the Parent Entity as at the end of the Financial Year:

	2013 $	2012 $
ASSETS		
Total current assets	9,195,268	202,356
Total non-current assets	6,601,808	9,250,610
Total Assets	15,797,076	9,452,966
LIABILITIES		
Current liabilities	5,464,311	2,441,526
Non-current liabilities	3,463,192	3,515,601
Total Liabilities	8,927,503	5,957,127
EQUITY		
Issued capital	23,003,614	21,315,614
Shares to be issued	4,000,000	-
Options to be issued	1,680,000	-
Reserves	834,959	4,144,049
Accumulated losses	(22,649,000)	(21,963,824)
Total Equity	6,869,573	3,495,839
(Loss) after related income tax expense	(3,994,269)	(7,650,430)
Other comprehensive income	-	-
Total comprehensive income/(loss)	(3,994,269)	(7,650,430)

Guarantees
Kaboko Mining Limited has not entered into any guarantees in the current or previous financial year, in relation to the debts of its subsidiaries.

Other Commitments and Contingencies
Kaboko Mining Limited has no commitments to acquire property, plant and equipment and has no contingent liabilities.

NOTE 17. CASH FLOW INFORMATION

RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT/(LOSS) AFTER INCOME TAX

Loss after tax	(4,196,485)	(7,154,679)
Non-cash flows in profit/(loss)		
Gain on debt settlement	(600,000)	-
Depreciation	268,934	179,876
Impairment of non-current assets	-	2,818,542
Share based payments	553,000	899,482
Unrealised foreign exchange loss	-	1,650
Non-cash financing costs	217,000	-
Investing activities	1,442,908	-
Changes in assets and liabilities		
Trade and other receivables	682,771	90,212
Prepayments	-	(13,875)
Trade and other payables	361,714	1,558,716
Provisions	-	(44,548)
Derivative liability	33,437	-
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(1,236,721)	(1,664,624)

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial year is shown in the accounts as:

Cash	266,764	206,513
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	266,764	206,513

SECURITY OVER CASH DEPOSITS

At 30 June 2013, no cash deposits were committed as security for credit cards, operating leases and environmental bonds (2012: $108,255).

NON-CASH FINANCING AND INVESTING ACTIVITIES

There were no non-cash financing and investing activities apart from those disclosed in note 14.

NOTE 18. AUDITOR'S REMUNERATION

	Group 2013 $	Group 2012 $
Amounts paid or payable to:		
Auditor of the parent:		
RSM Bird Cameron		
Auditing or reviewing the interim and year-end financial reports	-	16,500
Tax compliance services	-	1,282
BDO Audit (WA) Pty Ltd		
Auditing or reviewing the interim and year-end financial reports	110,349	44,240
Tax compliance services	18,413	11,689
Preliminary Independent Experts Report	22,440	-
Auditor of the subsidiary:		
BDO Audit – Cape Town		
Auditing or reviewing the interim and year-end financial reports	44,394	36,132
Other assurance services – business combination	-	23,693
	195,596	133,536

NOTE 19. EXPENDITURE COMMITMENTS

	Group 2013 $	Group 2012 $
Non-Cancellable operating leases contracted for but not capitalised in the accounts:		
Payable		
not later than one year	-	-
later than 1 year but not later than 5 years	-	-
AGGREGATE EXPENDITURE CONTRACTED FOR AT REPORTING DATE	-	-

As disclosed at note 22, to secure its 100% equity interest in AAMD, the Group must spend a total of $2,500,000 on the acquired projects in the two years from acquisition date. The Group has expended more than the required amount on the projects between the date of acquisition and 30 June 2013 and therefore considers its expenditure obligations met.

NOTE 20. KEY MANAGEMENT PERSONNEL

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2013.

The totals of remuneration paid to key management personnel of the Group during the year are as follows:

	Group	
	2013 $	2012 $
Remuneration of key management personnel		
Short term employee benefits	298,046	277,477
Termination benefits	-	85,303
Post-employment benefits	2,250	14,724
Share based payment benefits	-	60,000
	300,296	437,504

Shares held by Key Management Personnel

Year Ended 30 June 2013

	Number of Ordinary Shares			
	1 July 2012 or Appointment	Issued as Remuneration	Net Change Other*	30 June 2013 or Resignation
Malenga Machel	-	-	-	-
Tokkas Van Heerden (*from 14 January 2013*)	5,000,000	-	-	5,000,000
Papi Molotsane (*from14 January 2013*)	-	-	-	-
Shannon Robinson	681,818	-	-	681,818
Jason Brewer (*resigned 14 January 2013*)	5,200,000	-	1,400,000	6,600,000
Jane Flegg	-	-	1,000,000	1,000,000
	10,881,818	-	2,400,000	13,281,818

*Net change other relates to on market purchases/(sales) during the year.

NOTE 20. KEY MANAGEMENT PERSONNEL (CONT'D)

Year Ended 30 June 2012	1 July 2011 or Appointment	Number of Ordinary Shares Issued as Remuneration	Net Change Other*	30 June 2012 or Resignation
Malenga Machel *(from 13 February 2012)*	-	-	-	-
Jason Brewer (from 30 August 2011)	-	-	5,200,000	5,200,000
Shannon Robinson (from 30 August 2011)	-	-	681,818	681,818
Patrick Edward Ryan *(to 30 August 2011)*	324,762	-	-	324,762
Catherine Mary Hobbs *(to 13 February 2012)*	8,082,262	-	-	8,082,262
Shane Anthony Hartwig *(to 30 August 2011)*	-	-	-	-
Jane Flegg *(from 30 August 2011)*	-	-	-	-
Jack Toby *(to 30 August 2011)*	-	-	-	-
	8,407,024	-	5,881,818	14,288,842

*Net change other relates to on market purchases/(sales) during the year.

Options held by Key Management Personnel

Year Ended 30 June 2013	1 July 2012 or Appointment	Number of Options Expiry Remuneration	Net Change Other*	30 June 2013 or Resignation
Malenga Machel	-	-	-	
Tokkas Van Heerden *(from 14 January 2013)*	-	-	-	-
Leapeetswe (Papi) Molotsane *(from 14 January 2013)*	-	-	-	-
Shannon Robinson	681,818	(681,818)	-	-
Jason Brewer *(to 14 January 2013)*	950,000	-	1,050,000	2,000,000
Jane Flegg	-	-	1,333,334	1,333,334
	1,631,818	(681,818)	2,383,334	3,333,334

*Net change other relates to on market purchases/(expiry of options) during the year .

NOTE 20. KEY MANAGEMENT PERSONNEL (CONT'D)

Year Ended 30 June 2012	Number of Options			
	1 July 2011 or Appointment	**Granted as Remuneration**	**Net Change Other***	**30 June 2012 or Resignation**
Malenga Machel *(from 13 February 2012)*	-	-	-	
Jason Brewer *(from 30 August 2011)*	-	-	950,000	950,000
Shannon Robinson *(from 30 August 2011)*	-	-	681,818	681,818
Patrick Edward Ryan *(to 30 August 2011)*	1,263,066	-	-	1,263,066
Catherine Mary Hobbs *(to 13 February 2012)*	2,020,566	4,000,000	-	6,020,566
Shane Anthony Hartwig *(to 30 August 2011)*	-	-	-	-
Jane Flegg *(from 30 August 2011)*	-	-	-	-
Jack Toby *(to 30 August 2011)*	-	-	-	-
	3,283,632	4,000,000	1,631,818	8,915,450

*Net change other relates to on market purchases/ (sales) during the year.

NOTE 20. KEY MANAGEMENT PERSONNEL (CONT'D)

Year Ended 30 June 2013	Option Holdings	Total Vested and Exercisable	Total Un-exercisable
Malenga Machel	-	-	-
Tokkas Van Heerden (from 14 January 2013)	-	-	-
Leapeetswe (Papi) Molotsane (from 14 January 2013)			
Shannon Robinson	568,179	568,179	-
Jason Brewer *(to 14 January 2013)*	-	-	-
Jane Flegg	1,333,334	1,333,334	-
	1,901,513	1,901,513	-
Year Ended 30 June 2012			
Malenga Machel *(from 13 February 2012)*	-	-	-
Jason Brewer *(from 30 August 2011)*	950,000	950,000	-
Shannon Robinson *(from 30 August 2011)*	-	-	-
Patrick Edward Ryan *(to 30 August 2011)*	1,263,066	1,263,066	-
Catherine Mary Hobbs *(to 13 February 2012)*	6,020,566	2,020,566	4,000,000
Shane Anthony Hartwig *(to 30 August 2011)*	-	-	-
Jane Flegg *(from 30 August 2011)*	-	-	-
Jack Toby *(to 30 August 2011)*	-	-	-
	8,233,632	4,233,632	4,000,000

NOTE 21. SEGMENT INFORMATION

IDENTIFICATION OF REPORTABLE SEGMENTS

The Group has identified its operating segments based on internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group's principal activities are exploration and development of and manganese projects. These activities are managed on a project by project basis. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

BASIS OF ACCOUNTING FOR PURPOSES OF REPORTING BY OPERATING SEGMENTS

Unless stated otherwise, all amounts reported to the board of directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

Segment assets are clearly identifiable on the basis of their nature and physical location.

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payable and certain direct borrowings.

Items of revenue, expense, assets and liabilities are not allocated to operating segments if they are not considered part of the core operations of any segment.

NOTE 21. SEGMENT INFORMATION (CONT'D)

	2013 Mineral Exploration Africa $	2013 Mineral Exploration USA $	2013 Total $	2012 Mineral Exploration Africa $	2012 Mineral Exploration USA $	2012 Total $
SEGMENT PERFORMANCE						
External revenue/other income	-	-	-	-	-	-
TOTAL SEGMENT REVENUE	-	-	-	-	-	-
Segment net profit/(loss) before tax	-	-	-	-	-	-
RECONCILIATION OF SEGMENT RESULT TO NET PROFIT/(LOSS) BEFORE TAX						
Amounts not included in segment results but reviewed by the Board:						
Interest received			3,597			6,951
Other income			17,792			10,317
Gain on debt settlement			600,000			-
Other expenses			(4,676,241)			(3,917,152)
NET PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			(4,054,852)			(3,899,884)

	2013 Mineral Exploration Africa $	2013 Mineral Exploration USA $	2013 Total $	2012 Mineral Exploration Africa $	2012 Mineral Exploration USA $	2012 Total $
SEGMENT ASSETS						
Segment assets	24,302,184	-	24,302,184	12,790,242	49,207	12,839,449
RECONCILIATION OF SEGMENT ASSETS TO TOTAL ASSETS						
Unallocated assets:						
Cash and cash equivalents			266,764			206,513
Receivables			22,619			700,037
TOTAL ASSETS			24,591,567			13,745,999

NOTE 21. SEGMENT INFORMATION (CONT'D)

	2013 Mineral Exploration Africa $	2013 Mineral Exploration USA $	2013 Total $	2012 Mineral Exploration Africa $	2012 Mineral Exploration USA $	2012 Total $
Segment liabilities						
Segment liabilities	33,316	-	33,316	49,207	-	49,207
Reconciliation of segment liabilities to total liabilities						
Unallocated liabilities:						
Other liabilities			906,521			648,448
Borrowings			6,109,614			1,967,691
Deferred acquisition liability			2,051,801			3,731,801
Deferred tax liability			6,643,825			3,717,257
Derivative financial instrument			33,437			-
Total liabilities from continuing operations			15,778,514			10,114,404
Total liabilities from discontinued operations			-			16,089
Total liabilities			15,778,514			10,130,493

Revenue by Geographical Region

There is no revenue attributed to external customers by location as the group is still in exploration and development stage.

ASSETS BY GEOGRAPHICAL REGION

The location of assets is disclosed below by the geographical location of the assets.

	2013 $	2012 $
Australia	206,181	61,522
Africa	24,385,386	13,527,554
USA	-	156,923
	24,591,567	13,745,999

Major Customers

With completion of Tranche A of the Noble Group Secured Prepayment Debt Facility the Group's major customer is Noble Group.

NOTE 22. BUSINESS COMBINATION

a) *Summary of acquisition*

On 28 October 2011, the Group announced that, following the completion of its technical, legal and financial due diligence, it had acquired 100% of the share capital of African Asian Mining Development Ltd ("AAMD") and its subsidiaries. The acquisition of AAMD provides the Group with a 51% interest in 5 Large Scale Prospecting Licenses and 2 Small Scale Mining Licenses covering over 2,700 km^2 including large areas known to be prospective for manganese comprising the Emmanuel Project which includes the current Chowa Open Pit Mine, the Mansa Project, and the Serenje Project (together the "Zambian Manganese Projects").

Details of the purchase consideration, net assets acquired, and fair value of exploration acquired are as follows:

Purchase consideration (refer to (**b**) below):

	Total	Deferred Consideration		
		Shares & Options to be Issued (Equity)	**Current Liability**	**Non-Current Liability**
	$	**$**		
Cash	1	-	-	-
Tranche 1 Shares (i)	1,802,226	-	-	-
Tranche 2 Shares and Options(ii)	2,480,000	2,480,000	-	-
Tranche 3 Shares and Options (iii)	3,200,000	3,200,000	-	-
Royalties (iv)	2,051,801	-	216,200	1,835,601
Total	**9,534,028**	**5,680,000**	**216,200**	**1,835,601**

(i) In accordance with the share sale agreement, the Group issued 75,000,000 Shares on 3 November 2011 upon completion of the acquisition.

(ii) In accordance with the share sale agreement, the Group will issue 80,000,000 Shares and 80,000,000 free attaching options exercisable at $0.08 on or before 31 July 2012 on the date the Zambian Manganese Projects achieve a minimum of 10,000,000 tonnes of JORC (or equivalent) manganese resource within 18 months from the execution of the share sale agreement (by March 2013). During the year ended 30 June 2013, the performance milestone date was extended from March 2013 to 1 April 2014 and the expiration date of the 80,000,000 Options was extended to 1 April 2014. A value of $2,480,000 has been assigned to these shares and options based upon a 100% probability of meeting the performance milestone.

(iii) In accordance with the share sale agreement, the Group will issue 80,000,000 Shares with 80,000,000 free attaching options exercisable at $0.08 on or before 1 April 2014 on the date the Zambian Manganese Projects achieve a minimum manganese production of 30,000 tonnes per month of JORC (or equivalent) Saleable Manganese Ore for at least 3 months within any 6 month period, provided that it is achieved within 30 months from the execution of the share sale agreement. A value of $3,200,000 has been assigned to these shares and options based upon a 100% probability of meeting the performance milestone.

NOTE 22. BUSINESS COMBINATION (CONT'D)

(iv) The Company will also pay a $1 per tonne royalty to parties nominated by the vendors as consideration for the acquisition. The estimated royalty payable has been determined based on forecast run of mine production over the life of the mine using a discount rate of 16.5%. Should run of mine production be significantly different than forecast and/or not proceed in accordance with the expected timeframe, the royalty payable may be significantly different than that recorded at 30 June 2013. Significant changes in either the Group's borrowing rate or cost of capital will impact the Group's discount rate, which may also cause the royalty payable to differ significantly from that recorded at 30 June 2013.

(v) To secure its 100% equity interest in AAMD, the Company must spend a total of $2,500,000 on the acquired projects in the two years from acquisition date. The Group has expended more than the required amount on the projects between date of acquisition and 30 June 2013 and therefore considers its expenditure obligations met.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Carrying Value $	30 June 2013 Fair Value $	30 June 2012 Provisional Fair Value $
Cash	125,646	125,646	125,646
Trade and other receivables	164,578	164,578	164,578
Plant and equipment	121,949	121,949	121,949
Mineral exploration expenditure	1,564,680	15,510,378	9,660,748
Trade and other creditors	-	-	-
Borrowings	(744,626)	(744,626)	(744,626)
Inter-company borrowings	(1,725,947)	-	-
Deferred tax liability	(268,105)	(5,753,214)	(3,705,810)
Subtotal	(761,825)	9,424,711	5,622,485
Attributable to non-controlling interest	109,317	109,317	109,317
Net assets/(liabilities) acquired	(652,508)	9,534,028	5,731,802

At 30 June 2012 the fair values of assets and liabilities acquired were determined on a provisional basis. During the measurement period to 28 October 2012, being 12 months after the date of acquisition, the provisional amounts recognised at acquisition date have been retrospectively adjusted to reflect the issue of Tranche 2 and Tranche 3 Shares and Options which were approved by shareholders subsequent to 30 June 2012. This has resulted in an adjustment to shares to be issued of $4,000,000 and a reclassification of options to be issued of $1,200,000 from the deferred acquisition liability to equity. These adjustments are reflected in the increased fair value of mineral exploration expenditure and increased deferred tax liability.

NOTE 22. BUSINESS COMBINATION (CONT'D)

b) Purchase consideration – cash outflow

	$
Cash consideration paid as of 31 December 2011	1
Less: cash balances acquired	(125,646)
Net outflow/(inflow) of cash – investing activities	(125,645)

At 30 June 2013, acquisition related costs of approximately nil (30 June 2012: $64,000) are included within corporate and operational costs in profit or loss and in operating cash flows in the statement of cash flows.

NOTE 23. CONTROLLED ENTITIES

SUBSIDIARIES

The consolidated financial statements include the assets, liabilities, and results of the following subsidiaries as disclosed in note 1(a).

	Country of Incorporation	% Owned 2013	% Owned 2012
Parent Entity			
Kaboko Mining Ltd	Australia		
Entities controlled by Kaboko Mining Ltd			
New Mexico Investments Ltd (i)	St Lucia	-	100%
Juno Minerals Pty Ltd	St Lucia	100%	100%
African Asian Mining Development Ltd	Zambia	100%	100%
Entities controlled by New Mexico Investments Ltd			
Grants Ridge Inc (i)	USA	-	100%
Entities controlled by African Asian Mining Development Ltd			
Impondo Zambia Ltd	Zambia	75%	75%
Zambian Manganese Mining Group Ltd	Zambia	51%	51%
Serenje Manganese Mining Ltd	Zambia	51%	51%
Mansa Manganese Mining Ltd	Zambia	51%	51%
Mwata Mining Ltd (ii)	Zambia	-	51%
Mwambya Mining Ltd (iii)	Zambia	51%	-

(i) Sold 28 August 2012, see note 15.
(ii) Deregistered during the year
(iii) Incorporated during the year.

NOTE 23. CONTROLLED ENTITIES (CONT'D)

TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On 29 June 2012, African Asian Mining Development Ltd ("AAMD") acquired an additional 24% shareholding in Impondo Zambia Limited through the issue of 24,000,000 ordinary fully paid shares of Kaboko Mining Ltd (note 11). The 24% increase in shareholding takes AAMD's shareholding in Impondo Zambia Limited to 75% at 30 June 2012.

The carrying amount of the non-controlling interests at acquisition date was $3,573. The Group recognised an increase in non-controlling interests of $301,252 and a decrease in equity attributable to the parent of $784,825 as a result of the additional 24% shareholding acquired.

The effect of changes in the ownership interest of Impondo Zambia Limited on the equity attributable to the owners of Kaboko Mining Ltd during the year is as follows:

	30 June 2013	30 June 2012
	$	$
Carrying amount of non-controlling interests	-	3,573
Increase in non-controlling interests	-	301,252
Consideration paid to non-controlling interests	-	480,000
EXCESS OF CONSIDERATION PAID RECOGNISED WITHIN OTHER RESERVES IN EQUITY	-	784,825

NOTE 24. CONTINGENT LIABILITIES

Pursuant to the prepayment debt facility with Noble Group and as approved by shareholders at the Company's Annual General Meeting on 27 November 2012, the Company has committed to issue a maximum of 100,000,000 warrants to Noble Group.

As consideration for the lease of the Chowa Small Scale Mining Site, licence number 14869-HQ-SML, the Group has committed to pay a royalty of USD $6/tonne on all Manganese ore sold from the licence area.

There are no other contingent liabilities at 30 June 2013 (30 June 2012: nil).

NOTE 25. FINANCIAL INSTRUMENTS

This note presents information about the Group's exposure to credit, liquidity, and market risks; its objectives, policies, and processes for measuring and managing risk; and the management of capital (note 11). Further quantitative disclosures are included throughout this financial report.

The Board of Directors has an overall responsibility for the establishment and oversight of the risk management framework.

The Group holds the following financial instruments:

	2013 $	2012 $
Financial Assets		
Cash and cash equivalents	266,764	206,513
Trade and other receivables	22,619	700,037
Financial Liabilities		
Trade and other payables	939,837	713,744
Borrowings	6,109,614	1,967,691
Derivative financial instrument	33,437	-
Deferred acquisition liability	2,051,801	3,731,801

Due to the nature of the Group's financial instruments, fair values and carrying values are the same.

FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial instruments consist of deposits with banks, trade and other receivables, trade and other payables, borrowings, a derivative financial instrument, and a deferred acquisition liability. The Group's policy is that no trading in financial instruments shall be undertaken. The main purpose of non-derivative financial instruments is to finance Group operations.

The Group's derivative financial instrument arises from a convertible note issued by the Group.

The Group does not speculate in the trading of derivative instruments.

TREASURY RISK MANAGEMENT

The Board considers the Group's financial risk exposure and treasury management strategies in the context of the Group's operations. The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

NOTE 25. FINANCIAL INSTRUMENTS (CONT'D)

FINANCIAL RISK EXPOSURES AND MANAGEMENT

The main risks the Group is exposed to through its financial instruments are foreign currency risk, credit risk, price risk, and liquidity risk. The Board reviews each of these risks on an on-going basis.

INTEREST RATE RISK

The Group has a policy of minimising its exposure to interest rate risk on debt by fixing interest rates. Details of the Group's interest rates are included in note 9.

FOREIGN CURRENCY RISK

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's measurement currency. The Group's exploration projects are located in overseas jurisdictions and payments for exploration activities as well as the anticipated receipts from potential future production are denominated in foreign currencies. The Group is also exposed to fluctuations in foreign currencies arising from deposits with banks denominated in foreign currencies. The Group does not seek to hedge this exposure at this stage of its development.

EXPOSURE TO CURRENCY RISK

The Group's exposure to foreign currency risk at reporting date was as follows:

	Consolidated	
	30 June 2013	30 June 2012
	USD	USD
Cash and cash equivalents	76,095	-
Receivables	-	685,461
Borrowings	(4,659,020)	(397,113)
Trade and other payables	(30,470)	(66,347)
	(4,613,395)	222,001

SENSITIVITY ANALYSIS

The Group has performed a sensitivity analysis relating to its exposure to foreign currency risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

A 10 percent strengthening of the Australian Dollar against the following currencies at 30 June 2012 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2012. 10 percent is management's assessment of the possible change in foreign exchange rates based on historical information.

	Equity		Profit or Loss	
	2013	2012	2013	2012
	$	$	$	$
Consolidated				
USD	107,437	274,886	107,437	274,886
	107,437	274,886	107,437	274,886

NOTE 25. FINANCIAL INSTRUMENTS (CONT'D)

CREDIT RISK

At 30 June 2013, cash deposits of nil were committed as security for credit cards, operating leases and environmental bonds (2012: $108,255).

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. There are no other material amounts of collateral held as security at 30 June 2013 or at 30 June 2012. Credit risk is managed on a Group basis and reviewed by the Board. It arises from exposures to customers as well as through deposits with financial institutions. The Board monitors credit risk by actively assessing the quality and liquidity of counter parties, consequently only banks are utilised for deposits and all potential customers are assessed for credit worthiness taking into account their size, market position and financial standing. The counterparties included in trade and other receivables at 30 June 2013 and at 30 June 2012 are not rated, however given the amount and nature of these financial instruments, the Board is satisfied that they represent a low credit risk for the Group. There are no significant concentrations of credit risk within the Group.

COMMODITY PRICE RISK

The Group is exposed to commodity price risk through its Zambian Manganese Projects. Manganese prices may vary substantially and the Group does not currently hedge the price it sells at. The Group's projects at 30 June 2013 are at the exploration stage. The value of the Group's exploration projects and their ultimate feasibility is subject to risk from changes in the market price of manganese.

Equity price risk

The Group is exposed to equity price risk on its derivative liabilities disclosed at note 10. The liability fluctuates with the Group's underlying share price until the option holders convert. The Group has no policy for mitigating potential adversities associated with its own equity price risk given its dependence on market fluctuations.

The Group's exposure to equity price risk at reporting date was as follows:

	Profit or Loss	
	2013 $	2012 $
Derivative financial instrument	33,437	-
	33,437	-

NOTE 25. FINANCIAL INSTRUMENTS (CONT'D)

LIQUIDITY RISK

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funds are available through on-going business activity and capital raisings.

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES

Contractual liabilities of financial liabilities are as follows:

2013	Carrying amount $	Principle & Interest (Contractual Cashflow) $	6 months or less $	6-12 months $	1-2 years $	2-5 years $
Consolidated						
Trade and other payables	939,837	939,837	939,837	-	-	-
Borrowings	6,109,614	6,349,392	4,515,460	-	1,833,932	-
Derivative financial instrument	33,437	33,437	-	-	-	33,437
Deferred acquisition liability	2,051,801	2,051,801	216,200	-	1,835,601	-
	9,134,689	9,374,467	5,671,497	-	3,669,533	33,437

2012	Carrying amount $	Principle & Interest (Contractual Cashflow) $	6 months or less $	6-12 months $	1-2 years $	2-5 years $
Consolidated						
Trade and other payables	713,744	713,744	713,744	-	-	-
Borrowings	1,967,691	2,017,691	2,017,691	-	-	-
Deferred acquisition liability	3,731,801	3,731,801	480,000	216,200	1,709,719	1,325,882
	6,413,236	6,463,236	3,211,435	216,200	1,709,719	1,325,882

NOTE 25. FINANCIAL INSTRUMENTS (CONT'D)

Financial Instrument Composition and Maturity Analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such the amounts may not reconcile to the statement of financial position.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Maturing		Non-interest bearing		Total	
Consolidated	**2013 %**	**2012 %**	**2013 $**	**2012 $**	**2013 $**	**2012 $**	**2013 $**	**2012 $**	**2013 $**	**2012 $**
Financial Assets:										
Cash and cash equivalents	2.05%	2.50%	266,764	206,513	-	-	-	-	266,764	206,513
Receivables	-	-	-	-	-	-	22,619	700,037	22,619	700,037
Total Financial Assets			**266,764**	**206,513**	**-**	**-**	**22,619**	**700,037**	**289,383**	**906,550**

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Maturing		Non-interest bearing		Total	
Consolidated	**2013 %**	**2012 %**	**2013 $**	**2012 $**	**2013 $**	**2012 $**	**2013 $**	**2012 $**	**2013 $**	**2012 $**
Financial Liabilities:										
Trade and sundry payables	-	-	-	-	-	-	939,837	713,744	939,837	713,744
Borrowings	9.36%	8.01%	-	-	5,935,742	1,576,877	173,872	390,814	6,109,614	1,967,691
Derivative financial instruments	-	-	-	-	-	-	33,437	-	33,437	-
Deferred acquisition liability	-	-	-	-	-	-	2,051,801	3,731,801	2,051,801	3,731,801
Total Financial Liabilities			**-**	**-**	**5,935,742**	**1,576,877**	**3,198,947**	**4,836,359**	**9,134,689**	**6,413,236**

NOTE 25. FINANCIAL INSTRUMENTS (CONT'D)

Financing arrangements

At 30 June 2013 and as disclosed at note 9, the Group has a USD $10M prepayment & off-take facility with Noble Group, of which USD $4,500,000 has been drawn down at 30 June 2013.

Fair value measurements

The fair value of financial assets and liabilities must be estimated for recognition and measurement purposes.

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June:

2013

	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Derivative financial instrument	-	33,437	-	33,437
	-	33,437	-	33,437

There were no financial assets or liabilities requiring fair value hierarchy disclosure at 30 June 2012.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group makes a number of assumptions based upon observable market data at each reporting period. The fair values of the option derivative is determined based on a black-scholes option pricing model, based upon various inputs at the end of the reporting period. These instruments are included in level 2.

NOTE 26. RELATED PARTY TRANSACTIONS

The Group is not controlled by any other entity.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with related parties comprise:

Controlled entities

Interests in controlled entities are set out in Note 23.

NOTE 26. RELATED PARTY TRANSACTIONS (CONT'D)

OTHER TRANSACTIONS WITH DIRECTORS AND DIRECTOR RELATED ENTITIES

During the year consulting fees of $175,000 were paid or accrued to Okap Ventures Pty Ltd, a company of which Mr Jason Brewer is a director for the period up to his resignation, for the provision of company secretarial, financial management, strategic and corporate advisory, capital raising, investor and public relations and associated services in fully serviced offices in both Perth and London.

During the year consulting fees of ZAR 3,651,639 (AUD $393,089) were paid or accrued to Impondo South Africa Limited , a company of which Tokkas Van Heerden is a director for the period since his appointment, for the provision of Operational Services for the Zambian Projects.

Amounts owing to related parties included within trade and other payables at 30 June 2013 as follows:

Related party	Nature	Amount
Okap Ventures Pty Ltd	Corporate management services	$330,927
Malenga Machel	Director fees	$3,565
Tokkas Van Heerden	Director fees	$150,000
Tokkas Van Heerden	Consultancy fees	$327,812
Shannon Robinson	Director fees	$7,725

NOTE 27. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years except as follows:-

- On 20 August 2013 , the Group announced:-
  - That it had rapidly brought the Mansa Mine into operation since the completion of the Noble Group Agreement in March 2013, with production from the mine reaching 5,000 tonnes per month, and it had concluded its first sale of 2,000 tonnes of high-grade Manganese ore to the NobleGroup;
  - A further US$1.16M had been drawn from Tranche B of the $10M Pre-Pay Facility for additional key mining plant and equipment to accelerate production underlines the ongoing Noble Group support for the project and the Company.

- On 4 September the Group announced the allotment of 170,440,000 new options exercisable at $0.012 on or before 31 August 2016 in accordance with the Entitlement Issue Prospectus dated 2 August 2013. On 24 September 2013, the Group announced the completion of the option rights issue shortfall of 121,975,898 attaching new options exercisable at $0.012 on or before 31 August 2013. Funds raised from the Option Rights Issue totalled $292,415 before costs.

- On 10 September the Group announced the appointment of Mr Andrew Simpson, Mr Nigel Goodall and Mr Paul D'Sylva to the Board of Directors and the resignation of Mr Leapeetswe (Papi) Molotsane.

NOTE 28. DIVIDENDS

No dividends have been paid or proposed during the year.

NOTE 29. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

AUSTRALIAN ACCOUNTING STANDARDS/AMENDMENTS RELEASED BUT NOT YET EFFECTIVE: 30 JUNE 2013 YEAR END

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 30 June 2013. They have not been adopted in preparing the financial statements for the year ended 30 June 2013 and are expected to impact the consolidated entity in the initial period of application. In all cases the entity intends to apply these standards from the date of application as indicated below:-

AASB Reference	Title and Affected Standard(s)	Nature of Change	Application Date	Impact on Initial Application
AASB 9 *(issued December 2009 and amended December 2010)*	Financial Instruments	Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Under AASB 9, there are three categories of financial assets: • Amortised cost • Fair value through profit or loss • Fair value through other comprehensive income. The following requirements have generally been carried forward unchanged from AASB 139 *Financial Instruments: Recognition and Measurement* into AASB 9: • Classification and measurement of financial liabilities; and • Derecognition requirements for financial assets and liabilities. However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.	Annual reporting periods beginning on or after 1 January 2015	The Group has financial liabilities measured at fair value through profit or loss. The amendments require that any changes in fair value attributable to the liability's credit risk be recognised in other comprehensive income instead of profit or loss. There will be no impact on the financial statements when these amendments are first adopted because they apply prospectively from 1 January 2015.

NOTE 29. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (CONT'D)

AASB Reference	Title and Affected Standard(s)	Nature of Change	Application Date	Impact on Initial Application
AASB 10 *(issued August 2011)*	Consolidated Financial Statements	Introduces a single 'control model' for all entities, including special purpose entities (SPEs), whereby all of the following conditions must be present: • Power over investee (whether or not power used in practice) • Exposure, or rights, to variable returns from investee • Ability to use power over investee to affect the entity's returns from investee. Introduces the concept of 'de facto' control for entities with less than a 50% ownership interest in an entity, but which have a large shareholding compared to other shareholders. This could result in more instances of control and more entities being consolidated. Potential voting rights are only considered when determining if there is control when they are substantive (holder has practical ability to exercise) and the rights are currently exercisable. This may result in possibly fewer instances of control.	Annual reporting periods beginning on or after 1 January 2013	When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the entity does not have any special purpose entities or because the new definition of control does not change the classification of any of the entities investments in subsidiaries, joint arrangements or associates.
AASB 11 *(issued August 2011)*	Joint Arrangements	Joint arrangements will be classified as either 'joint operations' (where parties with joint control have rights to assets and obligations for liabilities) or 'joint ventures' (where parties with joint control have rights to the net assets of the arrangement). Joint arrangements structured as a separate vehicle will generally be treated as joint ventures and accounted for using the equity method (proportionate consolidation no longer allowed). However, where terms of the contractual arrangement, or other facts and circumstances indicate that the parties have rights to assets and obligations for liabilities of the arrangement, rather than rights to net assets, the arrangement will be treated as a joint operation and joint venture parties will account for the assets, liabilities, revenues and expenses in accordance with the contract.	Annual reporting periods beginning on or after 1 January 2013	When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the entity has not entered into any joint arrangements.

NOTE 29. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (CONT'D)

AASB Reference	Title and Affected Standard(s)	Nature of Change	Application Date	Impact on Initial Application
AASB 13 *(issued September 2011)*	Fair Value Measurement	Currently, fair value measurement requirements are included in several Accounting Standards. AASB 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value in the statement of financial position or disclosed in the notes in the financial statements. Additional disclosures required for items measured at fair value in the statement of financial position, as well as items merely disclosed at fair value in the notes to the financial statements. Extensive additional disclosure requirements for items measured at fair value that are 'level 3' valuations in the fair value hierarchy that are not financial instruments, e.g. land and buildings, investment properties etc.	Annual reporting periods beginning on or after 1 January 2013	The Group has yet to conduct a detailed analysis of the differences between the current fair valuation methodologies used and those required by AASB 13. However, when this standard is adopted for the first time for the year ended 30 June 2014, there will be no impact on the financial statements because the revised fair value measurement requirements apply prospectively from 1 July 2013. When this standard is adopted for the first time for the year ended 30 June 2014, additional disclosures will be required about fair values.
AASB 119 *(reissued September 2011)*	Employee Benefits	Main changes include: • Elimination of the 'corridor' approach for deferring gains/losses for defined benefit plans • Actuarial gains/losses on remeasuring the defined benefit plan obligation/asset to be recognised in OCI rather than in profit or loss, and cannot be reclassified in subsequent periods • Subtle amendments to timing for recognition of liabilities for termination benefits • Employee benefits expected to be settled (as opposed to due to settled under current standard) wholly within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used wholly within 12 months of end of reporting period will in future be discounted when calculating leave liability.	Annual reporting periods beginning on or after 1 January 2013	The Group currently calculates its liability for annual leave employee benefits on the basis that it is due to be settled within 12 months of the end of the reporting period because employees are entitled to use this leave at any time. The amendments to AASB 119 require that such liabilities be calculated on the basis of when the leave is expected to be taken, i.e. expected settlement. When this standard is first adopted for the 30 June 2014 year end, annual leave liabilities will be recalculated on 1 July 2012 as long-term benefits because they are not expected to be settled wholly within 12 months after the end of the reporting period.

NOTE 29. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (CONT'D)

AASB Reference	Title and Affected Standard(s)	Nature of Change	Application Date	Impact on Initial Application
AASB 119 *(reissued September 2011)*	Employee Benefits			This will result in a reduction of the annual leave liabilities recognised on 1 July 2012, and a corresponding increase in retained earnings at that date. Comparatives for the year ended 30 June 2013 will also be restated, resulting in a further decrease in the annual leave liability and an increase in profit.
Interpretation 20 *(issued November 2011)*	Stripping Costs in the Production Phase of a Surface Mine	Clarifies that costs of removing mine waste materials (overburden) to gain access to mineral ore deposits during the production phase of a mine must be capitalised as inventories under AASB 102 *Inventories* if the benefits from stripping activity is realised in the form of inventory produced. Otherwise, if stripping activity provides improved access to the ore, stripping costs must be capitalised as a non-current, stripping activity asset if certain recognition criteria are met (as an addition to, or enhancement of, an existing asset).	Annual reporting periods beginning on or after 1 January 2013	The Group currently expenses stripping costs in profit or loss. When this interpretation is first adopted for the year ended 30 June 2014, stripping costs incurred prior to 1 July 2012 will not need to be capitalised retrospectively. However, if certain recognition criteria are met, stripping costs expensed on or after 1 July 2012 will need to be capitalised and depreciated/amortised over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. Comparatives for the year ended 30 June 2013 will be restated and profit and non-current assets to which the stripping activity relates will increase.
AASB 12 *(issued August 2011)*	Disclosure of Interests in Other Entities	Combines existing disclosures from AASB 127 *Consolidated and Separate Financial Statements*, AASB 128 *Investments in Associates* and AASB 131 *Interests in Joint Ventures*. Introduces new disclosure requirements for interests in associates and joint arrangements, as well as new requirements for unconsolidated structured entities.	Annual reporting periods beginning on or after 1 January 2013	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities.

NOTE 29. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (CONT'D)

AASB Reference	Title and Affected Standard(s)	Nature of Change	Application Date	Impact on Initial Application
AASB 2012-6 *(issued September 2012)*	Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures	Defers the effective date of AASB 9 to 1 January 2015. Entities are no longer required to restate comparatives on first time adoption. Instead, additional disclosures on the effects of transition are required.	Annual reporting periods beginning on or after 1 January 2015	As comparatives are no longer required to be restated, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required on transition, including the quantitative effects of reclassifying financial assets on transition.

DIRECTOR’S DECLARATION

The directors of the Group declare that:

1. the financial statements comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (b) give a true and fair view of the consolidated entity’s financial position as at 30 June 2013 and of its performance for the year ended on that date.

2. The consolidated entity has included in the notes to the financial statements an explicit and unreserved statement of Compliance with International Financial Reporting Standards.

3. In the director’s opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

4. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Tokkas Van Heerden
Executive Director
Dated this 27th day of September 2013

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INDEPENDENT AUDITOR'S REPORT

To the members of Kaboko Mining Ltd

Report on the Financial Report

We have audited the accompanying financial report of Kaboko Mining Ltd, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Kaboko Mining Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Kaboko Mining Ltd is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets discharge its liabilities in the normal course of business at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Kaboko Mining Ltd for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

Glyn O'Brien

Director

Perth, Western Australia

Dated this 27th day of September 2013

The issued capital of the Company as at 20 September 2013 is 877,632,529 ordinary fully paid shares. There are 4,000,000 unlisted options ($0.03; 15 July 2015), 9,979,382 unlisted options ($0.022; 01 December 2014), 25,000,000 unlisted options ($0.02; 28 September 2015), 23,666,667 unlisted options ($0.02; 24 December 2015), 56,800,000 unlisted options ($0.01; 31 January 2016), and 292,289,368 listed options ($0.012; 31 August 2016) on issue.

ANALYSIS OF HOLDINGS OF LISTED SHARES AND OPTIONS IN THE COMPANY

	Ordinary Shares	Options expiring 31 August 2016 $0.012
1 — 1,000	311	16
1,001 — 5,000	258	42
5,001 — 10,000	170	27
10,001 — 100,000	606	117
100,001 — and over	559	150
Total number of holders	1,904	352
Holdings of less than a marketable parcel	1,374	278

TWENTY LARGEST HOLDERS OF ORDINARY SHARES

	Number of Shares	Percentage of Total
MR DAVID SCANLEN	50,000,000	5.70
NATIONAL NOMINEES LIMITED	45,100,031	5.14
MARCOU INVESTMENTS LIMITED	40,000,000	4.56
PERCY HOLDINGS LIMITED	37,333,333	4.25
MACLURE CAPITAL LIMITED	36,000,000	4.10
CROWN MERCANTILE LIMITED	21,666,667	2.47
KOMODO CAPITAL PTY LTD	19,418,586	2.21
SATORI INTERNATIONAL PTY LTD <SATORI S/F A/C>	18,000,000	2.05
SKIFFINGTON SUPER PTY LTD <THE MARK SKIFFINGTON S/F A/C>	17,750,000	2.02
MINSK PTY LTD	12,550,000	1.43
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,141,461	1.27
MR ANDREW CHISEMBELE	10,000,000	1.14
MRS DEBRA TASKER	10,000,000	1.14
PETER ERMAN PTY LIMITED <SUPERANNUATION FUND A/C>	9,049,001	1.03
CITICORP NOMINEES PTY LIMITED	8,828,455	1.01
HNC PTY LTD <THE SAGGERS SUPER FUND A/C>	8,640,722	0.98
MS CATHERINE MARY HOBBS + MS AVELEY ROSE MCCANN <KATE HOBBS SUPERANNUATION FUND>	8,022,262	0.91
MANDEVILLA PTY LTD	8,000,000	0.91
MR SCOTT JAMES DUNCAN	6,750,000	0.77
J H BEASY & ASSOCIATES PTY LTD <J&D BEASY SUPER FUND A/C>	6,000,000	0.68
	384,250,518	43.77

TWENTY LARGEST HOLDERS OF $0.012 LISTED OPTIONS EXPIRING 31 AUGUST 2016

	Number of Options	Percentage of Total
MR DAVID SCANLEN	30,000,000	10.26
KOMODO CAPITAL PTY LTD	28,222,409	9.66
CROWN MERCANTILE LTD	25,000,000	8.55
SATORI INTERNATIONAL PTY LTD <SATORI S/F A/C>	18,599,430	6.36
MERIWA STREET PTY LTD	14,250,000	4.88
MACLURE CAPITAL LIMITED	10,251,163	3.51
MARCOU INVESTMENTS LIMITED	10,251,163	3.51
PERCY HOLDINGS LIMITED	10,251,163	3.51
HNC PTY LTD <THE SAGGERS SUPER FUND A/C>	9,019,874	3.09
MR SCOTT JAMES DUNCAN	8,000,000	2.74
GEBA PTY LTD <GEBA FAMILY A/C>	7,731,818	2.65
ORACLE SECURITIES PTY LTD	7,463,230	2.55
PETER ERMAN PTY LIMITED <SUPERANNUATION FUND A/C>	6,516,334	2.23
ALMESH PTY LTD <SYMBA RETIREMENT FUND A/C>	4,970,165	1.70
MR SCOTT JAMES DUNCAN + MRS SHELLY MARY THERESE DUNCAN	4,404,167	1.51
MR SCOTT ANDRE CUOMO	4,062,500	1.39
CASINA PTY LTD <THE GLENVIEW A/C>	3,345,165	1.14
MR CAMERON STEWART MCPHIE <THE MCPHIE FAMILY A/C>	2,806,933	0.96
BAYRAIN HOLDINGS PTY LTD <MITCHELL PROPERTY FAM A/C>	2,587,589	0.89
MR GARY TATASCIORE + MR ERIC TATASCIORE + MR LUKE TATASCIORE (ELG A/C)	2,587,589	0.89
	210,320,692	71.98

INTERESTS IN MINING TENEMENTS

Zambian Manganese Projects

8757-HQ-LPL	51%
13641-HQ-LPL	51%
8458-HQ-LPL	51%
14784-HQ-LPL	51%
16793-HQ-LPL	51%
13204-HQ-SPP	75%
13704-HQ-SML	75%
13103-HQ-SPP	75%
14869-HQ-SML	75%

The Board of Directors is responsible for the overall strategy, governance and performance of Kaboko Mining Limited and its controlled entities. The Group is an exploration Group whose strategy is to add substantial shareholder value through the acquisition, exploration, development and commercialisation of its projects. The Board has adopted a corporate governance framework which it considers to be suitable given the size, history and strategy of the Group.

Principles of Best Practice Recommendations

In accordance with ASX Listing Rule 4.10, Kaboko Mining Limited is required to disclose the extent to which it has followed the Principles of Best Practice Recommendations during the financial year. Where Kaboko Mining Limited has not followed a recommendation, this has been identified and an explanation for the departure has been given. Further details can be found on the Group's website.

	BEST PRACTICE RECOMMENDATION	COMMENT
1.	***Lay solid foundations for management and oversight***	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Satisfied. Refer the Corporate Governance section on the Group website.
1.2	Companies should disclose the process for evaluation the performance of senior executives.	Not satisfied. The Group has not yet established formal performance review measures for key executives given the size and stage of the Group's operations.
1.3	Provide the information indicated in *Guide to Reporting on Principle 1.*	Satisfied. Refer to Director's report and the Corporate Governance section on the Group website.
2.	***Structure the board to add value***	
2.1	A majority of the board should be independent directors.	Satisfied. Four of the six directors are non-executives.
2.2	The chairperson should be an independent director.	Satisfied. The Board was pleased to announce the appointment of Non-Executive Chairman Mr Andrew Simpson on 9 September 2013.
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	Satisfied. The roles of the Chairman and the Chief Executive Officer are exercised by Mr Andrew Simpson and Mr Tokkas Van Heerden respectively.
2.4	The board should establish a nomination committee.	Not satisfied. The Board considers that given the current size of the board, this function is efficiently achieved with full Board participation. Accordingly, the Board has resolved not to establish a nomination committee at this stage.
2.5	Disclose the process for performance evaluation of the board, its committees and individual directors, and key executives.	Not satisfied. The Group has not yet established formal performance review measures for key executives nor has it established a nomination committee given the size and stage of the Group's operations. The full Board will review the performance of key executives.
2.6	Provide the information indicated in *Guide to Reporting on Principle 2.*	Satisfied. Refer to Director's report and the Corporate Governance section on the Group website. In addition, The Board, Board Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Group, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.

	BEST PRACTICE RECOMMENDATION	COMMENT
3.	***Promote ethical and responsible decision-making***	
3.1	Companies should establish a code of conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to: (a) the practices necessary to maintain confidence in the group's integrity; and (b) the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders (c) the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Satisfied. Refer the Corporate Governance section on the Group website.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	Not Satisfied. The Group recognises that a talented and diverse workforce is a key competitive advantage and that an important contributor to the Group's success is the quality, diversity and skills of its people. Under the Group's Code of Conduct, employees must not harass, discriminate or support others who harass and discriminate against colleagues or members of the public on the grounds of sex, pregnancy, marital status, age, race (including their colour, nationality, descent, ethnic or religious background), physical or intellectual impairment, homosexuality or transgender. Such harassment or discrimination may constitute an offence under legislation. Due to the small scale of the Group's operations and the limited number of employees, the Group has not yet established a Diversity Policy. However, as the Group develops the Board will consider adopting such a policy.
3.3	Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.	Not Satisfied. Given the size of the Group, the Group has not yet set measurable objectives for achieving gender diversity. In addition, the Board will review progress against any objectives identified on an annual basis.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Satisfied. Given the size of the Board and the Group, the Board considers that this function is efficiently achieved with Ms Robinson as a director. In addition Ms Flegg and Ms Robinson are joint Group Secretary holding senior executive position in the Group. There are currently 2 women in senior executive positions within the Group, representing 30% of total senior executive positions within the Group.
3.5	Provide the information indicated in *Guide to Reporting on Principle 3.*	Satisfied. Refer the Corporate Governance section on the Group website.
4.	***Safeguard integrity in financial reporting***	
4.1	The board should establish an audit committee.	Not Satisfied. The Directors believe that it would not increase efficiency or effectiveness to have a separate audit committee, and that audit matters are of such

	BEST PRACTICE RECOMMENDATION	COMMENT
		significance that they should be considered by the full Board. The Board may seek independent external professional advice as considered necessary if it requires assistance in this area.
4.2	Structure the audit committee so that it consists of: (a) only non-executive directors; (b) a majority of independent directors; (c) an independent chairperson, who is not chairperson of the board; and (d) at least three members.	Not satisfied. Refer 4.1.
4.3	The audit committee should have a formal charter.	Not satisfied. Refer 4.1.
4.4	Provide the information indicated in *Guide to Reporting on Principle 4.*	Satisfied. Refer to Director's report.
5.	***Make timely and balanced disclosure***	
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Satisfied. Continuous disclosure policy is available in the Corporate Governance section on the Group website.
5.2	Provide the information indicated in *Guide to Reporting on Principle 5.*	Satisfied. Refer 5.1
6.	***Respect the rights of shareholders***	
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of that policy.	Satisfied. Communications with Shareholders policy is available in the Corporate Governance section on the Group website.
6.2	Provide the information indicated in *Guide to Reporting on Principle 6.*	Satisfied. Refer to the Group website.
7.	***Recognise and manage risk***	
7.1	The Group should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Satisfied. Risk management policy is available in the Corporate Governance section on the Group website.
7.2	The Board should design and implement the risk management and internal control system to manage the group's material business risks and report on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Group's management of its material business risks.	Satisfied. Refer 7.1 & 7.3
7.3	The board should disclose whether it has received assurances from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to	Satisfied.

	BEST PRACTICE RECOMMENDATION	COMMENT
	financial reporting risks.	
7.4	Provide the information indicated in *Guide to Reporting on Principle 7*.	Satisfied. Refer 7.1
8.	***Remunerate fairly and responsibly***	
8.1	The board should establish a remuneration committee.	Not satisfied. The Board considered this recommendation and formed the view that it would not increase efficiency or effectiveness to have a separate committee, and that remuneration matters are of such significance that they should be considered by the full Board. The Board may seek independent external professional advice as considered necessary if it requires assistance in this area.
8.2	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	Details of executive and non-executive remuneration are outlined in the Directors' report.
8.3	Provide the information indicated in *Guide to Reporting on Principle 8*.	Satisfied.

Kaboko Mining Ltd
ABN 93 107 316 683

Notice of Annual General Meeting

TIME:	**9:30am (WST)**
DATE:	**Friday, 29 November 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.

Contents Page

Important Information

Venue

Notice is given that the Annual General Meeting of Shareholders of Kaboko Mining Ltd which this Notice of Meeting relates to will be held on **Friday, 29th November 2013 at 9:30am** (WST) at:

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

Your Vote Is Important

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

Voting Eligibility

The Directors have determined pursuant to Regulation 7.11.37 of Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4:00pm (WST) on 27th November 2013.

Voting in Person

To vote in person, attend the Annual General Meeting on the date and at the place set out above. The meeting will commence at **9:30am** (WST).

Voting by Proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by **9.30am** (WST) on **Wednesday, 27th November 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.

Members and their proxies should be aware that changes to the Corporations Act made in 2011 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.

Kaboko Mining Ltd
ABN 93 107 316 683

Business of the Meeting

Notice is given that the Annual 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 **9;30am** (WST) on **Friday, 29th November 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 4.00pm on Wednesday, 27th November 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 Annual General Meeting.

Financial Statements and Reports

To receive and consider the Annual Financial Report of the Company for the financial year ended 30 June 2013 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

Non-Binding Business

Resolution 1 – Adoption of Remuneration Report (Non-Binding)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

> *"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2013."*

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Short Explanation: The Corporations Act provides that a resolution in respect of the adoption of the remuneration report must be put to vote at a listed company's annual general meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting Exclusion: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:
(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
(b) a Closely Related Party of such a member.
However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:
(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
(b) the voter is the Chair and the appointment of the Chair as proxy:
    (i) does not specify the way the proxy is to vote on this Resolution; and

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

Ordinary Business

Resolution 2 – Re-Election of Mr Andrew Simpson

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

> *"To elect Mr Simpson, having been appointed as a Director prior to the date of this meeting, who retires in accordance with the Constitution and, being eligible, be re-appointed as a director of the Company with immediate effect."*

Short Explanation: In accordance with ASX Listing Rule 14.4, a director of the Company appointed to fill a casual vacancy or as an addition to the Board may not hold office (without re-election) past the next Annual General Meeting following their appointment. Further, in accordance with the Constitution, any Director appointed by the Board holds office only until conclusion of the next General Meeting and is eligible for re-election. Accordingly, Mr Simpson retires and being eligible for re-election, offers himself for re-election at the Meeting.

Resolution 3 – Re-Election of Mr Andries (Tokkas) van Heerden

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

> *"To elect Mr van Heerden, having been appointed as a Director prior to the date of this meeting, who retires in accordance with the Constitution and, being eligible, be re-appointed as a director of the Company with immediate effect."*

Short Explanation: In accordance with ASX Listing Rule 14.4, a director of the Company appointed to fill a casual vacancy or as an addition to the Board may not hold office (without re-election) past the next Annual General Meeting following their appointment. Further, in accordance with the Constitution, any Director appointed by the Board holds office only until conclusion of the next General Meeting and is eligible for re-election. Accordingly, Mr van Heerden retires and being eligible for re-election, offers himself for re-election at the Meeting.

Resolution 4 – Re-Election of Mr Nigel Goodall

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

> *"To elect Mr Goodall, having been appointed as a Director prior to the date of this meeting, who retires in accordance with the Constitution and, being eligible, be re-appointed as a director of the Company with immediate effect."*

Short Explanation: In accordance with ASX Listing Rule 14.4, a director of the Company appointed to fill a casual vacancy or as an addition to the Board may not hold office (without re-election) past the next Annual General Meeting following their appointment. Further, in accordance with the Constitution, any Director appointed by the Board holds office only until conclusion of the next General Meeting and is eligible for re-election. Accordingly, Mr Goodall retires and being eligible for re-election, offers himself for re-election at the Meeting.

Resolution 5 – Re-Election of Mr Paul d'Sylva

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

> *"To elect Mr d'Sylva, having been appointed as a Director prior to the date of this meeting, who retires in accordance with the Constitution and, being eligible, be re-appointed as a director of the Company with immediate effect."*

Short Explanation: In accordance with ASX Listing Rule 14.4, a director of the Company appointed to fill a casual vacancy or as an addition to the Board may not hold office (without re-election) past the next Annual General Meeting following their appointment. Further, in accordance with the Constitution, any Director appointed by the Board holds office only until conclusion of the next General Meeting and is eligible for re-election. Accordingly, Mr d'Sylva retires and being eligible for re-election, offers himself for re-election at the Meeting.

Resolution 6 – Re-Election of Ms Shannon Robinson

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

> *"To elect Ms Robinson as a director of the Company who retires by rotation pursuant to the Constitution of the Company and being eligible offers herself for re-election."*

Short Explanation: In accordance with ASX Listing Rule 14.4 (rotation of directors) and the Company's Constitution, one third of the Directors must retire by rotation at every Annual General Meeting. Accordingly, Ms Robinson retires by rotation and being eligible for re-election, offers herself for re-election at the Meeting.

Resolution 7 – Approval of Issue of Convertible Notes

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:*
> *(a) convertible notes to the value of $1,400,000;*
> *(b) 71,000,000 fully paid ordinary shares; and*
> *(c) 50,000,000 unlisted options exercisable at $0.01 within 3 years of issue,*
> *in accordance with the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by the subscribers for these convertible notes and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this 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 directors 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 8 – 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 purposes of Listing Rule 7.4 of the ASX Listing Rules and for all other purposes, Shareholders ratify the issue and allotment of 50,000,000 fully paid ordinary shares and 50,000,000 unlisted options exercisable at $0.01 within 3 years of issue in accordance with 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 participated in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, 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 directors 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 9 – Approval for the Issue of Shares to Related Party (Mr Andries van Heerden)

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 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 81,953,000 Shares to Mr Andries van Heerden, a director (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Andries van Heerden (and his nominee) 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.

Special Business

Resolution 10 – Approval of 10% Placement Capacity

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

> *"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and 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 issue of Equity Securities under this Resolution 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 will 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.

Dated this 30th day of October 2013
By order of the Board

Tokkas van Heerden
Executive 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 25 November 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 Secretary 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 business to be conducted at the Annual General Meeting to be held at 9:30am (WST) on Friday, 29th November 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. Financial Statements and Reports

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.kabokomining.com

2. Resolution 1 – Adoption of Remuneration Report (Non-Binding Resolution)

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy Restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).

You ***do not*** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

If you appoint any other person as your proxy

You ***do not*** need to direct your proxy how to vote on this Resolution, and you ***do not*** need to mark any further acknowledgement on the Proxy Form.

3. Resolution 2 – Re-Election of Mr Andrew Simpson

In accordance with ASX Listing Rule 14.4, a director of the Company appointed to fill a casual vacancy or as an addition to the Board may not hold office (without re-election) past the next Annual General Meeting following their appointment. Further, in accordance with the Constitution, any Director appointed by the Board holds office only until conclusion of the next Annual General Meeting and is eligible for re-election. Accordingly, Mr Simpson retires and being eligible for re-election, offers himself for re-election at the Meeting.

Mr Simpson has a strong commercial background and extensive experience in the resource and mining industries at both the Board and executive management level, including more than 30 years of experience in international marketing and distribution of minerals and metals. He is the Noble Group nominee to the Company's Board of Directors.

4. Resolution 3 – Re-Election of Mr Andries (Tokkas) van Heerden

In accordance with ASX Listing Rule 14.4, a director of the Company appointed to fill a casual vacancy or as an addition to the Board may not hold office (without re-election) past the next Annual General Meeting following their appointment. Further, in accordance with the Constitution, any Director appointed by the Board holds office only until conclusion of the next Annual General Meeting and is eligible for re-election. Accordingly, Mr van Heerden retires and being eligible for re-election, offers himself for re-election at the Meeting.

Tokkas Van Heerden has been instrumental in the introduction of the Zambian manganese projects to the Group and in country management of these projects as the operating manager for the Group. Impondo South Africa, a consulting firm owned by Tokkas Van Heerden, provides key operational and personnel support services in country to the Group. Tokkas Van Heerden is actively involved in developing mining rights throughout Africa and has extensive mining experience in South Africa, DRC, Mozambique, Zambia, Namibia and Zimbabwe.

5. Resolution 4 – Re-Election of Mr Nigel Goodall

In accordance with ASX Listing Rule 14.4, a director of the Company appointed to fill a casual vacancy or as an addition to the Board may not hold office (without re-election) past the next Annual General Meeting following their appointment. Further, in accordance with the Constitution, any Director appointed by the Board holds office only until conclusion of the next Annual General Meeting and is eligible for re-election. Accordingly, Mr Goodall retires and being eligible for re-election, offers himself for re-election at the Meeting.

Mr Goodall has 40 years' experience in the mining and resource industry covering operations, project design and development, marketing and general management. He holds a degree in Mineral Processing from London University and an MBA from the University of Western Australia. He has worked in coal, copper, gold, tin, iron ore and mineral sands.

6. Resolution 5 – Re-Election of Mr Paul d'Sylva

In accordance with ASX Listing Rule 14.4, a director of the Company appointed to fill a casual vacancy or as an addition to the Board may not hold office (without re-election) past the next Annual General Meeting following their appointment. Further, in accordance with the Constitution, any Director appointed by the Board holds office only until conclusion of the next Annual General Meeting and is eligible for re-election. Accordingly, Mr d'Sylva retires and being eligible for re-election, offers himself for re-election at the Meeting.

Mr d'Sylva is a Partner of Empire Equity Ltd, a boutique corporate advisory group. He has led and arranged a number of funding transactions since 2008 for a diverse range of resource and energy companies, including the US$10M pre-payment and offtake agreements between the Noble Group and Kaboko Mining Limited.

7. Resolution 6 – Re-Election of Ms Shannon Robinson

In accordance with ASX Listing Rule 14.4, no director of the Company may hold office (without re-election) past the longer of 3 years and the third Annual General Meeting following their appointment. Further, in accordance with the Company's Constitution, at every Annual General

Meeting, one third of the Directors for the time being must retire from office and are eligible for re-election. Accordingly, Ms Robinson retires and being eligible for re-election, offers himself for re-election at the Meeting.

Ms Robinson is a corporate lawyer and an associate of the Institute of Chartered Secretaries and Administrators (ICSA) and Chartered Secretaries Australia (CSA) and a member of AMPLA. Ms Robinson provides corporate advice in relation to mergers and acquisitions, capital raisings, due diligence reviews and legal compliance, takeovers and managing legal issues associated with client transactions. Ms Robinson has acted as Company Secretary for a number of ASX listed and unlisted companies.

8. Resolution 7 – Approval of Issue of Convertible Notes

8.1 Background

The Company has entered into convertible note facilities with Ascan Captial Pty Ltd and Platinum Partners Credit Opportunities Value Fund (**Investors**) for a total investment of $1.2 million (**Facility**).

Terms of Facility

(a) The Facility is available to the Company in tranches of $150,000 each.

(b) In consideration for the parties entering into the Facility:

  (i) a non-refundable commencement fee of 6% of the Facility is payable calculated based on the 5 trading day volume weighted average price, being $0.004, which will be satisfied by the issue of 21,000,000 Shares together with the issue of 100,000,000 unlisted options exercisable at $0.01 each within 3 years of issue; plus

  (ii) the issue of 100,000,000 Shares which will be offset against the share issue on conversion of the final Notes,

  (collectively **Commencement Securities**).

(c) The key terms of the Notes are as follows:

  (i) each Note will have a face value of $1.00 for a total value of $1.4 million;

  (ii) the Notes will be issued to the Investors or their nominees;

  (iii) the Notes are convertible into Shares at a conversion price equal to either 80% of the average ten daily volume-weighted average price (**VWAP**) of the Shares immediately prior to the maturity date (**Conversion Price**).

(d) The Facility has a term of 12 months.

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.

Resolution 7 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of the Notes and Commencement Securities. It is noted that the Company intends to issue 50 million Shares and 50 million Options forming part of the Commencement Securities prior to the date of the Meeting and shareholder ratification of this issue is sort pursuant to Resolution 7.

8.2 Specific information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 7:

(a) the maximum number of securities to be issued is as follows:

  (i) 1,400,000 Notes and the maximum number of securities to be issued by the Company in the event the Notes are converted (for the full amount) into Shares is up to that number of Shares which, when multiplied by the Conversion Price based on the formula set out above, equals $1,400,000,

  (ii) 71,000,000 Shares, and

  (iii) 50,000,000 Options;

(b) the Notes will be issued with a face value of $1.00 each, the Shares will be issued in lieu of a cash commencement fee and the Options will be issued for nil cash consideration pursuant to the Facility;

(c) the Notes will be issued on the terms and conditions set out above and the Shares issued on conversion of the Notes will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing ordinary shares;

(d) the Options will rank equally on conversion of these securities into ordinary shares;

(e) the Options will be issued on the terms and conditions set out in Annexure A;

(a) the securities will be issued no later than 3 months after the date of the Annual 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 allotment will occur in one tranche on the same date;

(b) the deemed issue price will be $0.004 per Share;

(f) the securities will be allotted and issued to the Investors or their nominees, who are not a related party of the Company; and

(g) the funds raised from the issue of the securities will be used to fund the development of the Company's Zambian Manganese Projects, general corporate and working capital.

A voting exclusion statement is included in the Notice.

9. Resolution 8 – Ratification of Prior Issue of Shares and Options

9.1 Background

A summary of the terms of the Facility is set out in section 8 above. The Company has issued 50 million Shares and 50 million Options forming part of the Commencement Securities prior to the date of the Meeting. Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the equity securities.

A summary of ASX Listing Rule 7.1 is set out in section 8 above.

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.

9.2 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) 50,000,000 Shares and 50,000,000 Options will be issued to Ascan Captial Pty Ltd (or its nominee), which is not a related party of the Company, prior to the date of the Meeting in respect of the Commencement Securities pursuant to the terms of the Facility;

(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 within 3 years of the date of issue and otherwise on the terms and conditions set out in Annexure A; 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.

10. Resolution 9 – Approval for the Issue of Shares to Related Party (Mr Andries van Heerden)

10.1 General

Mr van Heerden agreed to defer payment of his salary and fees received as a consultant prior to becoming a director of the Company in order that the Company could preserve its cash reserves and focus on the development of the Company's Zambian Manganese Projects.

It has now been agreed by the non-interested Directors of the Company (being each of the Directors other than Mr van Heerden) that the accrued salaries and fees of Mr van Heerden for this period should be made payable by way of the issue of Shares, subject to approval by Shareholders, so that the Company may continue to conserve cash.

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 81,953,000 Shares to Mr van Heerden (or his nominee) (**Related Party**) on the terms and conditions set out below, in lieu of his Directors fees and salaries for the period from 30 November 2011 to 31 December 2012.

Resolution 9 seeks Shareholder approval for the grant of the Related Party Shares to the Related Parties.

10.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of the Related Party Shares constitutes giving a financial benefit and Mr van Heerden is a related party of the Company by virtue of being a Director.

Messrs Andrew Simpson, Nigel Goodall, Malenga Machel, Paul d'Sylva and Ms Shannon Robinson (the Directors not to have a material personal interest in Resolution 9) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Related Party Shares because the issue of the Related Party Shares is considered to be reasonable remuneration in accordance with Section 211(1) of the Corporations Act.

10.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Shares involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

10.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Related Party Shares:

(a) the related party is Mr van Heerden and he is a related party by virtue of being a Director;

(b) the maximum number of Related Party Shares (being the nature of the financial benefit being provided) to be issued to the Related Parties is 81,953,000 Shares to Mr van Heerden (or his nominee);

(c) the Related Party Shares will be granted no later than 1 month after the date of the 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 allotment will occur on the same date;

(d) the Related Party Shares will be issued for nil cash consideration, accordingly no funds will be raised;

(e) the deemed value of the Related Party Shares is $0.004. This can be calculated by multiplying the deemed issue price of each Related Party Share, being $0.004, by 81,953,000 to reach a total of $327,812. The deemed issue price of the Related Party Shares (being $0.004 based on a 5 trading day volume weighted average price). This deemed issue price was set by the non-interested directors;

(f) the Related Party Shares 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.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Shares to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Related Party Shares to the Related Parties will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

11. Resolution 10 – Approval of 10% Placement Capacity

11.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 10, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 10 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 10 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 10 for it to be passed.

11.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

(a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of $300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately $4 million.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has two classes of listed Equity Securities on issue, being the Shares (ASX Code: KAB) and the Listed Options (ASX Code: KABOA).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

(A x D) – E

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

(i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;

(ii) plus the number of partly paid shares that became fully paid in the previous 12 months;

(iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4; and

(iv) less the number of Shares cancelled in the previous 12 months.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

11.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 10:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

(ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

(i) 12 months after the date of this Meeting; and

(ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid).

(**10% Placement Capacity Period**).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 10 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below (in the case of Listed Options, only if the Listed Options are exercised).

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

	Dilution			
Number of Shares on Issue	**Issue Price (per Share)**	**$0.008 (100% increase in Issue Price)**	**$0.004 (Issue Price)**	**$0.002 (50% decrease in Issue Price)**
1,080,200,693 (Current)	**Shares issued**	108,020,069 Shares	108,020,069 Shares	108,020,069 Shares
	Funds raised	$864,161	$432,081	$216,040
1,620,301,040 (50% increase)	**Shares issued**	162,030,104 Shares	162,030,104 Shares	162,030,104 Shares
	Funds raised	$1,296,241	$648,120	$324,060
2,160,401,386 (100% increase)	**Shares issued**	216,040,139 Shares	216,040,139 Shares	216,040,139 Shares
	Funds raised	$1,728,321	$864,161	$432,080

* The number of Shares on issue could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 1,080,200,693 Shares on issue comprising:
   - 877,247,693 existing Shares as at the date of this Notice of Meeting;
   - 152,953,000 Shares which are to be issued pursuant to resolutions 7 and 9; and
   - 50,000,000 Shares which are proposed to be issued prior to the date of the Meeting and ratified pursuant to resolution 8.
2. The issue price set out above is the closing price of the Shares on the ASX on 18 October 2013.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. No Options (including Listed Options issued under the 10% placement facility) are exercised into shares before the date of the issue of the Equity Securities.

5. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

Shareholders should note that there is a risk that:

(i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and

(ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

(i) as cash consideration in which case the Company intends to use funds raised for working capital for the Company's existing projects in Zambia, for business development opportunities or potential acquisitions; or

(ii) as non-cash consideration for business development opportunities or potential acquisitions, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

(e) Allocation under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

(i) the purpose of the issue;

(ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;

(iii) the effect of the issue of the Equity Securities on the control of the Company;

(iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;

(v) prevailing market conditions; and

(vi) advice from corporate, financial and broking advisers (if applicable).

Further if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) Previous Approval under ASX Listing Rule 7.1A

The Company has not previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A as the resolution was withdrawn from the 2012 annual general meeting as such there is no disclosure required pursuant to ASX Listing Rule 7.3A(6)

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

(i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and

(ii) the information required by Listing Rule 3.10.5A for release to the market.

11.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 10.

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:

10% Placement Capacity has the meaning given in section 11.3 of the Explanatory Statement.

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.

Closely Related Party of a member of the Key Management Personnel means:
(a) a spouse or child of the member;
(b) a child of the member's spouse;
(c) a dependent of the member or the member's spouse;
(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
(e) a company the member controls; or
(f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

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 facilities with the Investors for an investment of $1.2 million.

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

Director means a director of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:
(a) is not included in the S&P/ASX 300 Index; and
(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of $300,000,000.

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.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

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

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2013.

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

Shareholder means a shareholder of the Company.

Variable A means "A" as set out in the calculation in section 11.1 of the Explanatory Statement.

Annexure A – Option Terms and Conditions

The full details of the terms and conditions of the Options are set out below.

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be $0.01 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5.00pm (WST) on the date 3 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

(i) the Exercise Date; and

(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

(iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(iv) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) Reconstruction of capital

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.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) Change in exercise price

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.

(m) Unquoted

The Company will not apply for quotation of the Options on ASX.

(n) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

KABOKO MINING LIMITED

ABN

93 107 316 683

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Ordinary Fully Paid Shares Unlisted Options
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	50,384,836 Ordinary Fully Paid Shares 50,000,000 Unlisted Options ($0.001, 31 Oct 2016)
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	50,384,836 Ordinary Fully Paid Shares 50,000,000 Unlisted Options ($0.001, 31 Oct 2016)

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes – Ordinary Fully Paid Shares Unlisted Options – will rank equally on conversion of these securities into ordinary shares
5	Issue price or consideration	The issue of 50,000,000 Ordinary Fully Paid Shares and 50,000,000 Unlisted options - ($0.001, 31 Oct 2016) as Commencement Securities in relation to Convertible Note The issue of 384,836 Ordinary Fully Paid Shares for services provided in relation to the Convertible Note
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The issue of 50,000,000 Ordinary Fully Paid Shares and 50,000,000 Unlisted options - ($0.001, 31 Oct 2016) as Commencement Securities in relation to Convertible Note The issue of 384,836 Ordinary Fully Paid Shares for services provided in relation to the Convertible Note
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A

6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of securities issued under an exception in rule 7.2	N/A
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	28 October 2013

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in section 2 if applicable)	927,632,529	Ordinary fully paid shares
		292,415,898	Listed Options (($0.012; 31 August 2016)

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in section 2 if applicable)	4,000,000 9,979,382 45,000,000 60,000,000 23,666,667 50,000,000	Options ($0.03; 15 July 2015) Options ($0.022; 1 Dec 2014) Options ($0.02; 28 Sep 2015) Options ($0.01; 31 January 2016) Options ($0.02; 31 Dec 2014) Options ($0.01; 31 October 2016)

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A

18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A

+ See chapter 19 for defined terms.

30	How do +security holders sell their entitlements *in full* through a broker?	N/A
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	
39	Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

1 November 2013

Sign here: ....Date: ....
(Company Secretary)

Jane Flegg

Print name: ....

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