

31 January 2013

QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B FOR THE PERIOD ENDING 31 DECEMBER 2012

Kaboko Mining Limited ("**Kaboko**" or "**the Company**") the manganese exploration, development and mining company operating in Zambia, is pleased to provide the following commentary and Appendix 5B for the quarter ending 31 December 2012.

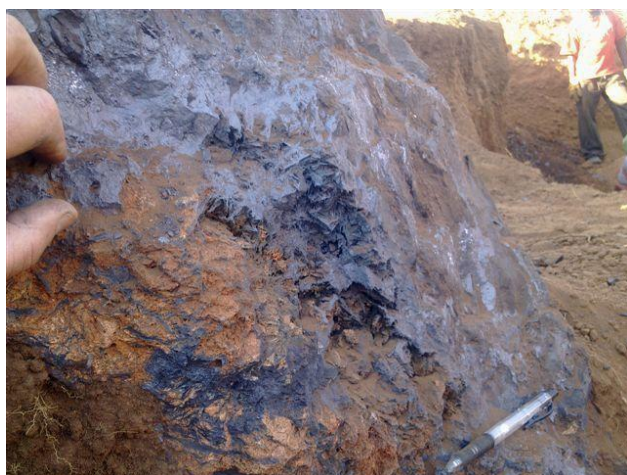
COMPANY HIGHLIGHTS

- **US\$4 million to be advanced by the Noble Group under the US\$10m Secured Prepayment Debt Facility and Manganese Ore Off-take Agreement**
- **Strengthening of Board with appointment of CEO and Noble Group representative**
- **Preliminary mine plans completed at Northern Zambia Project with initial planned run-of-mine production of 5,000 tonnes per month ramping up to 10,000 tonnes per month in Q4 2013**
- **Land holding secured in the Serenje region on the TAZARA rail line for its planned transportation of bulk or bagged high grade manganese ore with negotiations on rail access ongoing**

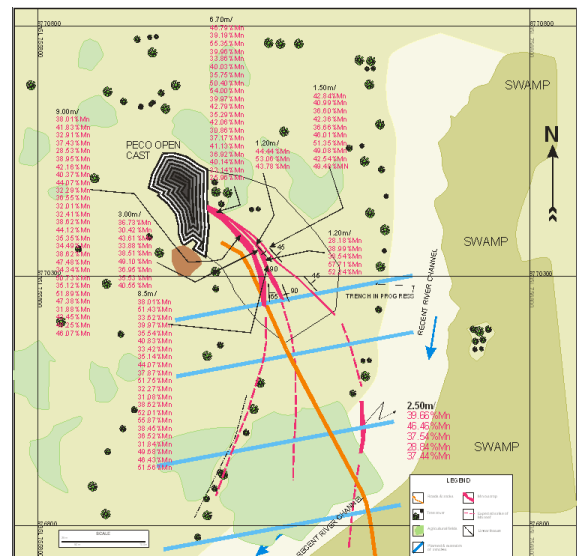
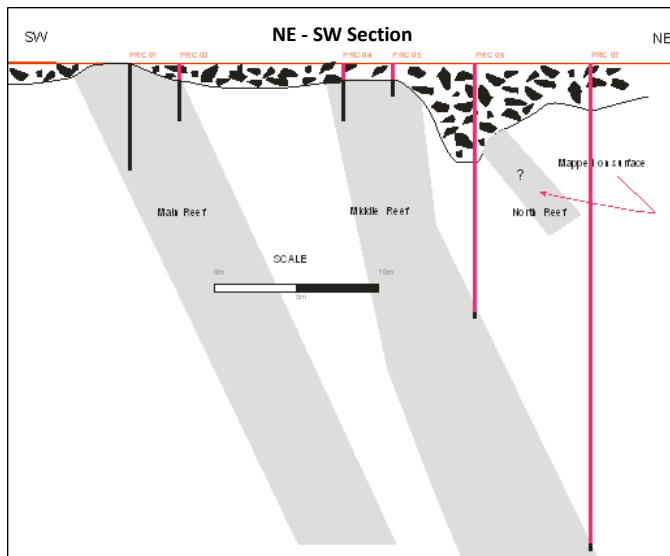
ZAMBIAN MANGANESE PROJECTS

Northern Manganese Project

Kaboko has continued the development of its Northern Zambia Project at Mansa. Exploration work completed to date, including aerial geological surveys, trenching and scout drilling, has 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 quarter 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. The Company is waiting the results of surface and bulk samples taken from exploration activities and has engaged an independent consultant (Minxcon) to prepare resources definition reporting in accordance with the JORC code. During the quarter, the Company continued construction of infrastructure as part of mine development and providing support for the local community.

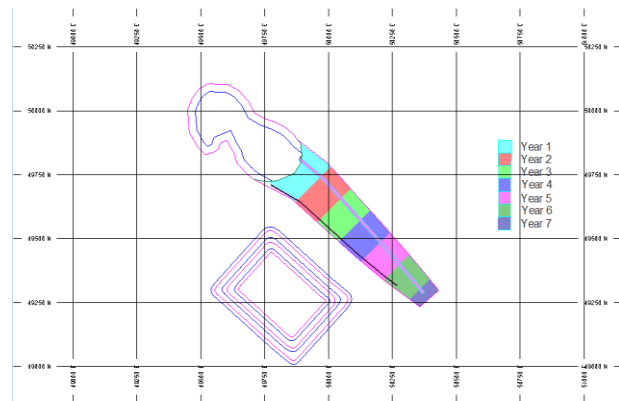
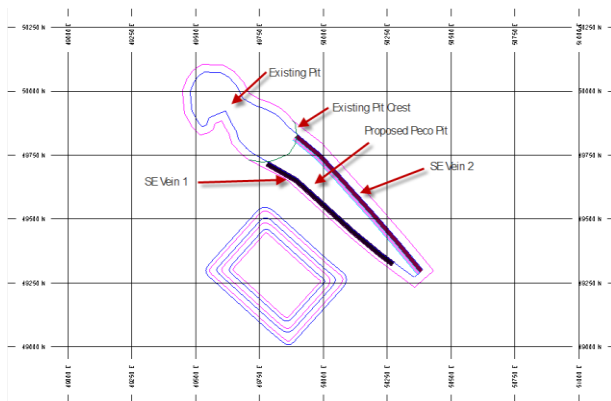


Mansa, Northern Zambia Manganese Project



Mansa, Northern Zambia Manganese Project: Cross Section of Mineralisation Zone

The Company is in the process of acquiring and mobilising equipment and additional personnel to site as well as a simple crushing system and processing plant being designed for installation in Q1 2013. The US\$4m advance from Noble (when received) will provide the Company with funding to reach a run of mine of initially 5,000 tonnes per month in Q2 2013 and ramping up to 10,000 tonnes per month by year end. The Company has through its subsidiary Impondo Zambia secured land in the Serenje region on the TAZARA rail line and is currently negotiating participation in the TAZARA rail line. Impondo Zambia concluded discussions with Mofed Tanzania Limited, a Zambian government owned logistics service provider situated in Dar es Salaam, that will enable Kaboko to utilize available rail and export facilities.



Mansa, Northern Zambia Manganese Project: Mine Plan

During the quarter, the Company focused on exploration and development of its Northern Zambia Project at Mansa. A geological review was undertaken at each of the projects and the Company is currently developing the 2013 programs for its Emmanuel and Vaz Projects including further exploration. As part of the resource definition reporting on the Northern Zambia Project at Mansa scheduled for this coming quarter, the Company is also finalising a further drilling program targeting extension of the existing mineralisation zone.

In addition the Company entered into a conditional joint venture in respect of the Rockstone Manganese Project located approximately 120km north of the Northern Zambia Project at Mansa. Following further due diligence review of this project, the Company has decided not to proceed with this joint venture.

CORPORATE

US\$1m Drawn Down

Subsequent to quarter end, the Company completed the draw down of US\$1 million under Tranche A of the Noble Facility. The draw down of the further US\$3 million of Tranche A funding is anticipated shortly upon the confirmation of relevant licensing conditions being obtained.

Board Restructure

Following the further advance of US\$1 million pursuant to the Noble Facility and subsequent to the quarter end Mr Tokkas Van Heerden was appointed as Executive Director and CEO of Kaboko and Mr Papi Molotsane was appointed as a Non-Executive Director, being the first of the two proposed Noble representatives to the Board of the Company. Mr Jason Brewer resigned as a director of the board due to other business commitments.

For and on behalf of the Board



Shannon Robinson

Director

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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 3 small scale mining licenses covering over 2,700km² in established and highly prospective manganese mining regions in Zambia. The Company is focused on resource definition drilling and exploration across its large license holdings and establishing long-term sustainable production of a high grade and high quality manganese ore from its Emmanuel, Kanona and 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 exploration 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Kaboko Mining Limited

ABN

93 107 316 683

Quarter ended ("current quarter")

31 December 2012

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors, including proceeds under long-term offtake agreements	-	-
1.2	Payments for (a) exploration & evaluation	(872)	(1,332)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(414)	(574)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	(27)	(48)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(1,313)	(1,954)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(27)	(33)
1.9	Proceeds from sale of: (a) prospects	-	17
	(b) equity investments	5	55
	(c) other fixed assets	75	75
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – related party loan funding received	-	100
Net investing cash flows		53	214
1.13	Total operating and investing cash flows (carried forward)	(1,260)	(1,740)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,260)	(1,740)
	Cash flows related to financing activities		
1.14a	Proceeds from issues of shares, options, etc.	45	45
1.14b	Shares to issue	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,120	1,597
1.17	Repayment of borrowings	-	(20)
1.18	Dividends paid	-	-
1.19	Other (Capital raising costs)	-	-
	Net financing cash flows	1,165	1,622
	Net increase (decrease) in cash held	(95)	(118)
1.20	Cash at beginning of quarter/year to date	175	207
1.21	Exchange rate adjustments to item 1.20	(1)	(10)
1.22	Cash at end of quarter	79⁽ⁱ⁾	79⁽ⁱ⁾

(i) USD\$1m was received in January 2013 pursuant to the debt funding and off-take agreements with Noble Group as announced 17 January 2013.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	19
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	450

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	79	175
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	79 ⁽ⁱ⁾	175

- (i) USD\$1m was received in January 2013 pursuant to the debt funding and off-take agreements with Noble Group as announced 17 January 2013.

Appendix 5B

Mining exploration entity quarterly report

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference			
	*securities			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	676,765,521	676,765,521	
7.4	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs			
7.5	*Convertible debt securities			
	<i>(Convertible Notes)</i>			

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	338,813,529	338,813,529	Exercise price \$0.03	Expiry date 30 June 2013
		4,000,000	-	\$0.03	15 July 2015
		9,979,382	-	\$0.022	1 December 2014
		5,000,000	-	\$0.02	28 September 2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 31 January 2013
(Company secretary)

Print name: Jane Flegg

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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