

30 April 2013

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

Via E Lodgement

QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B FOR THE PERIOD ENDING 31 MARCH 2013

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 March 2013.

COMPANY HIGHLIGHTS

- **US\$4 million advanced by the Noble Group under the US\$10m Secured Prepayment Debt Facility and Manganese Ore Off-take Agreement**
- **Mine development, mobilisation of personnel and equipment underway at the Mansa Project**
- **Processing and crushing plant scheduled for completion in Q2 2013**
- **Scoping study, further exploration and resource definition report scheduled for Q2 2013**
- **Initial trial mining scheduled to commence in Q2 2013**
- **Strengthening of Board with appointment of CEO and Noble Group representative**
- **Placement completed raising A\$600,000**

During the Quarter the Company completed the Tranche A financing as part of the \$10 million Prepayment Debt Facility and long term manganese ore Off-Take Agreement with Noble Resources International Pte. Ltd, a wholly owned subsidiary of Noble Group Limited (**Noble Facility**).



Figures 1-3: Exposed Manganese Reef at Mansa Project

ZAMBIAN MANGANESE PROJECTS

Northern Manganese Project

With necessary funding in place, the Company continued the mine development and associated plant and equipment purchases at its Northern Manganese Project at Mansa during the quarter. Key mining equipment has been acquired, including the processing plant which will be used to crush and process the ore at the Mansa Project. The modular processing plant is semi-mobile with the first stage mobile jaw crusher to be used on site to reduce the size of ore extracted. Following initial crushing on site, ore from the Mansa Project will be trucked to the rail siding near Serenje, Zambia for further crushing and processing, where the secondary jaw crusher and the cone crusher will be installed before being sent to port via rail. The processing plant is currently in transit and scheduled to arrive and be installed by the end of Q2, 2013.

Personnel and key equipment has been mobilised on site with development works underway including the clearing of overburden, completing construction of infrastructure and installation including repair to the local access bridge damaged during the wet season. Mine development has progressed well and the Company anticipates commencing initial trial mining at the Mansa Project this quarter.

The Company is pleased to advise that key items of mining equipment have arrived on site subsequent to the quarter end. This equipment will be instrumental for ongoing development work and initial trial mining scheduled.



Figures 4-5: Key Mining Equipment and Operational Team at Mansa Project

In addition a mine manager has been appointed for the Mansa Project, Lyapa Manza, and is scheduled to commence work this quarter on the 18th May 2013. Lyapa Manza is a Zambian local with a Bachelor of Mineral Sciences- Mining Engineering degree, a MBA qualification and over 20 years mining, management and project management experience in international, private and public mining Companies and Government. He attained business managerial experience in the industry as Mine Manager and General Manager of Kariba Minerals Ltd a Gemfields Plc mining operation and as senior Manager (Country Project-In Charge) of an international manganese company, Asia Minerals Ltd. The Company is pleased to welcome Lyapa Manza to the operational team.

In addition the Company is reviewing a draft mine plan prepared by an independent consultant, Minxcon, as part of a scoping study for an initial 7 year mine plan. This plan will provide the foundation for a resource statement for the Mansa Project in be completed in conjunction with a further exploration

program to drill approximately 24 holes (1,200m) targeting extension of existing mineralisation zone this quarter.

Emmanuel Project

During the quarter ongoing exploration and development works were undertaken at the Emmanuel Project. A further exploration program is planned for the coming quarter including trenching of identified mineralisation zones to confirm targets for more detailed exploration from three key areas on the project.

Initially, Kaboko 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 Kaboko's license. The target area includes an exposed manganese vein about 6 meters long and about 2 meters wide. The Company plans to undertake more trenching in this area to targeting extension of the known mineralisation and exposed manganese vein.

Kaboko also intends to undertake further exploration at the north-west section of the Emmanuel Project (known as Jerry's Mine). 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, Kaboko 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.

In addition license renewals were completed for the Emmanuel Project with minimal ground ultimately relinquished. Whilst the Company continues to focus on development of the Mansa Project, the Emmanuel Project is scheduled to be the second project to be developed and ongoing exploration and development works are anticipated on site.

CORPORATE

During the quarter, the final \$4 million was draw-down pursuant to the Noble Facility, completing the \$4.5 million Tranche A financing facility. In addition a placement to sophisticated investors was completed raising A\$600,000.

During the quarter 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 2 small scale mining licenses covering over 2,700km² in established and highly prospective manganese mining regions in Zambia. The Company is focused on the development of its large license holdings and establishing long-term sustainable production of a high grade and high quality manganese ore initially from its Mansa, Northern Zambian Projects. In 2012 the Company concluded strategic off-take and funding agreements with Sinosteel Australia Limited and Noble Resources Limited that are proposed to be used to complete further exploration and to advance its projects towards full-scale commercial production.

Forward Looking Statement

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the manganese market, expectations regarding manganese ore prices, production, cash costs and other operating results growth prospects and the outlook of Kaboko's operations including the likely commencement of commercial operations of the Emmanuel, Kanona and Mansa, Northern Zambian Projects, its liquidity and the capital resources and expenditure, contain or comprise certain forward-looking statements regarding the Company's development and exploration operations economic performance and financial condition. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in manganese ore prices and exchange rates and business and operational risk management. For a discussion of such factors refer to the Company's most recent annual report and half year report. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

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 March 2013

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 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	(448)	(1,780)
	(b) development	(454)	(454)
	(c) production	-	-
	(d) administration	(394)	(968)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	2
1.5	Interest and other costs of finance paid	-	(48)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(1,294)	(3,248)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(1,215)	(1,248)
1.9	Proceeds from sale of: (a) prospects	-	17
	(b) equity investments	-	55
	(c) other fixed assets	-	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		(1,215)	(1,001)
1.13	Total operating and investing cash flows (carried forward)	(2,509)	(4,249)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,509)	(4,249)
	Cash flows related to financing activities		
1.14a	Proceeds from issues of shares, options, etc.	523	568
1.14b	Shares to issue	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	3,856	5,453
1.17	Repayment of borrowings	-	(20)
1.18	Dividends paid	-	-
1.19	Other (Capital raising costs)	(50)	(50)
	Net financing cash flows	4,329	5,951
	Net increase (decrease) in cash held	1,820	1,702
1.20	Cash at beginning of quarter/year to date	79	207
1.21	Exchange rate adjustments to item 1.20	1	(9)
1.22	Cash at end of quarter	1,900	1,900

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
1.2 Aggregate amount of payments to the parties included in item 1.2	34
1.2 Aggregate amount of loans to the parties included in item 1.10	-

1.2 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	500
4.3 Production	-
4.4 Administration	200
Total	950

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	1,900	79
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,900	79

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				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

6.2 Interests in mining
tenements acquired or
increased

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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 (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	770,832,529	770,832,529		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	94,067,008	94,067,008		
7.5 *Convertible debt securities (Convertible Notes)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.7	Options <i>(description and conversion factor)</i>	338,813,529	338,813,529	<i>Exercise price</i> \$0.03	<i>Expiry date</i> 30 June 2013
		4,000,000	-	\$0.03	15 July 2015
		9,979,382	-	\$0.022	1 December 2014
		45,000,000	-	\$0.02	28 September 2015
		23,666,667	-	\$0.02	31 December 2014
		60,000,000	-	\$0.01	31 January 2016 (subject to shareholder approval)
7.8	Issued during quarter	40,000,000	-	\$0.02	28 September 2015
		23,666,667	-	\$0.02	31 December 2014
		60,000,000	-	\$0.01	31 January 2016 (subject to shareholder approval)
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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: 30 April 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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