

28 September 2012

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

Via E Lodgement

**KABOKO SECURES STRATEGIC LARGE SCALE PROSPECTING LICENSE IN ZAMBIA
A\$1M INTERIM DEBT FINANCE SECURED TO ADVANCE EXPLORATION AND DRILLING ACTIVITIES**

Key Points:

- Joint venture agreement entered into for an initial 51% interest in the Rockstone Manganese Project, a Large Scale Prospecting License located north of the Company's Peco Manganese Project in Zambia
- New joint venture, Mwata Mining Limited, established to complete further exploration and development work on the Rockstone Manganese Project
- Kaboko has increased its majority interests in its mining and exploration licenses in Zambia by 35% to now extend over an area of 3,700km² of highly prospective manganese ground
- Debt facility executed with Perth based Celtic Capital Pty Ltd to provide the Company with interim funding whilst key regulatory and shareholder approvals are obtained as conditions precedent to the US\$10m Secured Prepayment Debt Facility and Off-take Agreement with Noble Resources Limited
- Debt facility to be used to fund an immediate RC drilling program, prepared by the Company's Technical Consultants, for its Emmanuel and Peco Manganese Projects

Zambian focused manganese exploration and mining company Kaboko Mining Limited (**ASX:KAB**) ("**Kaboko**" or "**the Company**") is pleased to advise that its wholly owned Zambian subsidiary, African Asian Mining Development Ltd ("**AAMD**") has entered into an additional joint venture agreement acquiring an initial 51% interest in the Rockstone Manganese Project.

In addition the Company has executed loan documentation with Perth based investment group, Celtic Capital Pty Limited, for an A\$1m debt facility. The facility will be used to fund further exploration and complete RC drilling on its Emmanuel and Peco Projects, whilst the Company continues to work towards satisfaction of the conditions precedent of the previously announced 10 Year Manganese Ore Off-take Agreement and US\$10m 30-month Secured Prepayment Debt Facility (collectively the "**Transaction**") with Noble Resources Limited.

Mwata Mining Limited – Rockstone Manganese Project

Mwata Mining Limited is a joint venture between AAMD and Steven Simwanza and includes the 14022-HQ-LPL Large Scale Prospecting License.



The Rockstone Manganese Project, located approx. 120km north of the Company's Peco Manganese Project, is considered highly prospective for manganese.

The Project extends over an area of 980km² in the Luapula Province of Zambia.

Under the terms of the joint venture agreement, the Company's subsidiary AAMD has committed to complete of exploration expenditure of A\$1.0m over 24 months to earn an initial 51% interest.

An option to increase to a 75% interest has also been negotiated on commercial terms.

Exploration activities at the Rockstone Manganese Project are anticipated to commence in early 2013 with initial systematic mapping of surface outcrops, trenching work as well as geophysical surveys including ground magnetics, aeromagnetics and ground gravity surveys.

A preliminary due diligence review by the Company's in-country management team has identified the project area to be highly prospective for manganese with a number of surface outcrops identified over extended areas. The Company believes that given recent technical results and a broader geological understanding at the Peco Manganese Project, which is forecast to become a primary production and processing location, the Rockstone Manganese Project is a strategically important and significant addition to its existing Zambian Manganese Projects. The addition of the Rockstone Magnus Project increases the Company's interests in mining and exploration licenses in Zambia by over 35% to 3,700km², and is part of its broader exploration strategy of securing majority interests in areas of known manganese prospectivity.

The Company has lodged all the necessary documentation for the transfer of the Large Scale Prospecting License to Mwata Mining Limited and is awaiting governmental approvals.

A\$1 Million Debt Funding

The Company has entered into an unsecured A\$1m debt facility with Perth based investment group, Celtic Capital Pty Ltd. The facility which has a term of eight months and convertible (at the Company's election) after two months (maturity) into ordinary shares at either 80% of the average of ten daily volume-weighted average price prior to the maturity date or 130% of the average of ten daily volume-weighted average price prior to execution date of the facility (28 September 2012). The Company is proposing to drawdown the facility in full next week. The Company has paid a fee and interest costs on the facility by way of the issuance of 5,514,706 shares and 5,000,000 options with an exercise price of \$0.02 and with an expiry date of 28 September 2015.

The facility provides the Company with the necessary interim funding to commit to the first 5,000m to 10,000m of a proposed 27,000m RC drilling program that is being prepared by the Company's Technical Consultant. The proposed

RC drilling program follows the recent independent geological review and site visits to each the Company's projects and is to be commenced ahead of the onset of the rainy season in November.

The Company's Technical Consultant is currently finalising the drilling contract and appointment of a highly experienced in-country drilling contractor to complete the program. It is anticipated that based on the results of the planned drilling program an initial JORC compliant resource will be delineated.

The Company elected to secure the interim facility with Celtic Capital Pty Ltd given the unforeseen delays in finalising the ASX waivers and shareholder approvals that are required to satisfy the conditions subsequent for the Transaction with Noble. The Company is confident that a Notice of Meeting will be issued to shareholders shortly, to allow for a shareholder meeting to approve the Transaction in late October/early November. The Company continues to work with Noble and its advisors. It is expected that by this time all other Conditions Precedent to the Transaction will also be satisfied and the Transaction can then complete.

Please find attached an updated Appendix 3B.

Yours faithfully



JASON BREWER
Executive Director

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About Kaboko Mining Limited

Kaboko Mining Limited (ASX:KAB) is an ASX listed exploration, development and mining company primarily focused on establishing itself as a major producer and exporter of high grade manganese ore from its portfolio of assets in Zambia. Kaboko currently holds majority interests in 5 large scale prospecting licenses and 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, Peco and Kanona Projects. In 2012 the Company has 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, Peco and Kanona 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.

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 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

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
Listed Options (\$0.03; 30 June 2013) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 80,214,706 Ordinary Fully Paid Shares

196,251,685 Listed Options (\$0.03; 30 June 2013)

5,000,000 Unlisted Options (\$0.02; 28 September 2015) |
| 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) | 80,214,706 Ordinary Fully Paid Shares

196,251,685 Listed Options (\$0.03; 30 June 2013)

5,000,000 Unlisted Options (\$0.02; 28 September 2015) |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>24,000,000 Ordinary Fully Paid Shares issued for additional shareholding in Impondo Zambia Mining Ltd as approved by shareholders at a General Meeting on 29 June 2012</p> <p>38,900,000 Ordinary Fully Paid Shares and 130,000,000 Free Attaching Listed Options (\$0.03; 30 June 2013) as approved by shareholders at a General Meeting on 29 June 2012</p> <p>3,000,000 Ordinary Fully Paid Shares and 4,500,000 Free Attaching Listed Options (\$0.03; 30 June 2013) issued in respect of capital raising services received by the Company in lieu of fees as approved by shareholders at a General Meeting on 29 June 2012</p> <p>2,800,000 Ordinary Fully Paid Shares issued in respect of Completion and Sale of the of JV Interest with Uranium Energy Commission</p> <p>5,514,706 Ordinary Fully Paid Shares and 5,000,000 Unlisted Options (\$0.02; 28 September 2015) issued in respect of the facility fee and interest for the \$1m Debt Facility with Celtic Capital Pty Ltd</p> <p>6,000,000 Ordinary Fully Paid Shares and 30,000,000 Free Attaching Listed Options (\$0.03; 30 June 2013) issued to technical consultants in respect to technical services received by the Company for its Zambian Manganese Projects</p> <p>31,751,685 Free Attaching Listed Options (\$0.03; 30 June 2013) issued to corporate financial advisors in respect to services received by the Company</p>

⁺ See chapter 19 for defined terms.

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Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)

24,000,000 Ordinary Fully Paid Shares issued for additional shareholding in Impondo Zambia Mining Ltd as approved by shareholders at a General Meeting on 29 June 2012

38,900,000 Ordinary Fully Paid Shares and 130,000,000 Free Attaching Listed Options (\$0.03; 30 June 2013) as approved by shareholders at a General Meeting on 29 June 2012

3,000,000 Ordinary Fully Paid Shares and 4,500,000 Free Attaching Listed Options (\$0.03; 30 June 2013) issued in respect of capital raising services received by the Company in lieu of fees as approved by shareholders at a General Meeting on 29 June 2012

2,800,000 Ordinary Fully Paid Shares issued in respect of Completion and Sale of the of JV Interest with Uranium Energy Commission

5,514,706 Ordinary Fully Paid Shares and 5,000,000 Unlisted Options (\$0.02; 28 September 2015) issued in respect of the facility fee and interest for the \$1m Debt Facility with Celtic Capital Pty Ltd

6,000,000 Ordinary Fully Paid Shares and 30,000,000 Free Attaching Listed Options (\$0.03; 30 June 2013) issued to technical consultants in respect to technical services received by the Company for its Zambian Manganese Projects

31,751,685 Free Attaching Listed Options (\$0.03; 30 June 2013) issued to corporate financial advisors in respect to services received by the Company

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Dates of entering +securities into uncertificated holdings or despatch of certificates

28 September 2012

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Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)

Number	+Class
676,765,521	Ordinary fully paid shares
338,813,529	Listed Options expiring 30 June 2013 (exercise price 3 cents)

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	4,000,000
		Options (\$0.03; 15 July 2015)
	9,979,382	Options (\$0.022; 1 Dec 2014)
	5,000,000	Options (\$0.02; 28 Sep 2015)
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

+ See chapter 19 for defined terms.

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
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- | | | |
|----|---|-----|
| 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

⁺ See chapter 19 for defined terms.

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	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> 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	<p>Reason for request for quotation now</p> <p><small>Example: In the case of restricted securities, end of restriction period</small></p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> <tr> <td style="height: 100px;"></td> <td style="height: 100px;"></td> </tr> </table>	Number	+Class		
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.



28 September 2012

Sign here:Date:
(Company Secretary)

Jane Flegg

Print name:
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+ See chapter 19 for defined terms.