

31 October 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 30 SEPTEMBER 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 30 September 2013.

COMPANY HIGHLIGHTS

- **Initial testing of manganese stockpile grab samples return results of 50%;**
- **First sale of 2,000 tonnes of high-grade Manganese ore to the Noble Group;**
- **A further US\$1.16M was drawn from Tranche B of the \$10M Pre-Pay Facility for additional key mining plant and equipment to accelerate production;**
- **Production set to increase from 5,000 tonnes per month to in excess of 10,000 tonnes per month;**
- **Drilling underway with results to be incorporated into JORC compliant resource statement expected this quarter;**
- **New high-grade African manganese opportunities identified for review**



Mining Operations and High Grade Manganese Stockpiles at the Mansa Project, Northern Zambia

ZAMBIAN MANGANESE PROJECTS

Mansa Northern Manganese Project

Stockpile Grab Sample Testing

Initial testing of the manganese stockpile grab samples undertaken by independent laboratories during the quarter, in preparation for commercial settlement of the Company'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 SiO ₂	2.80%	3.05%	3.40%	2.90%
Calcium, as CaO	0.68%	0.20%	0.70%	0.93%
Aluminium, as Al ₂ O ₃	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

First Sale of High-Grade Manganese Ore to the Noble Group

During the quarter the Company achieved a significant milestone with the sale of the initial 2,000 tonnes of high grade manganese ore from its Mansa Mine to the Noble Group under its \$10M pre-pay and offtake agreement. The Noble Group agreed to purchase the ore full-on-truck ("FOT") at the minesite which is currently being loaded on site with delivery to port of 2,400 tonnes completed.

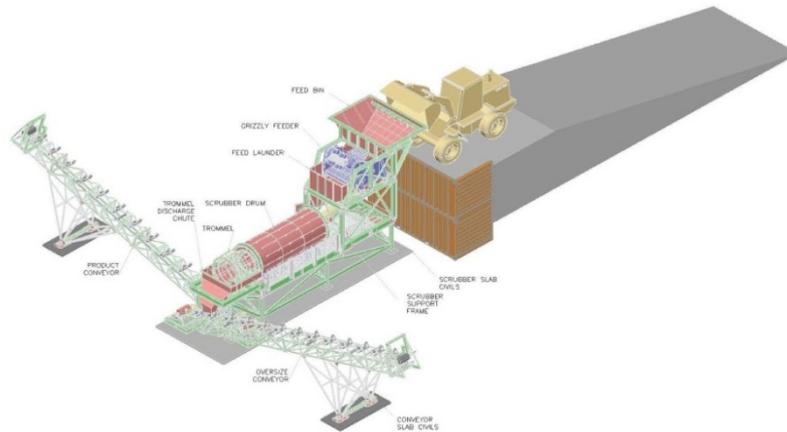
Further testing will be undertaken as part of the completion of delivery confirmed grades of 51% manganese. A second shipment of 2,000 tonnes of high grade manganese will then be loaded for delivery from the existing stockpile on site.

Additional Mining Plant and Equipment

A further US\$1.16M was drawn down pursuant to the Noble Group Agreement during the quarter, 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.

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 Company 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.

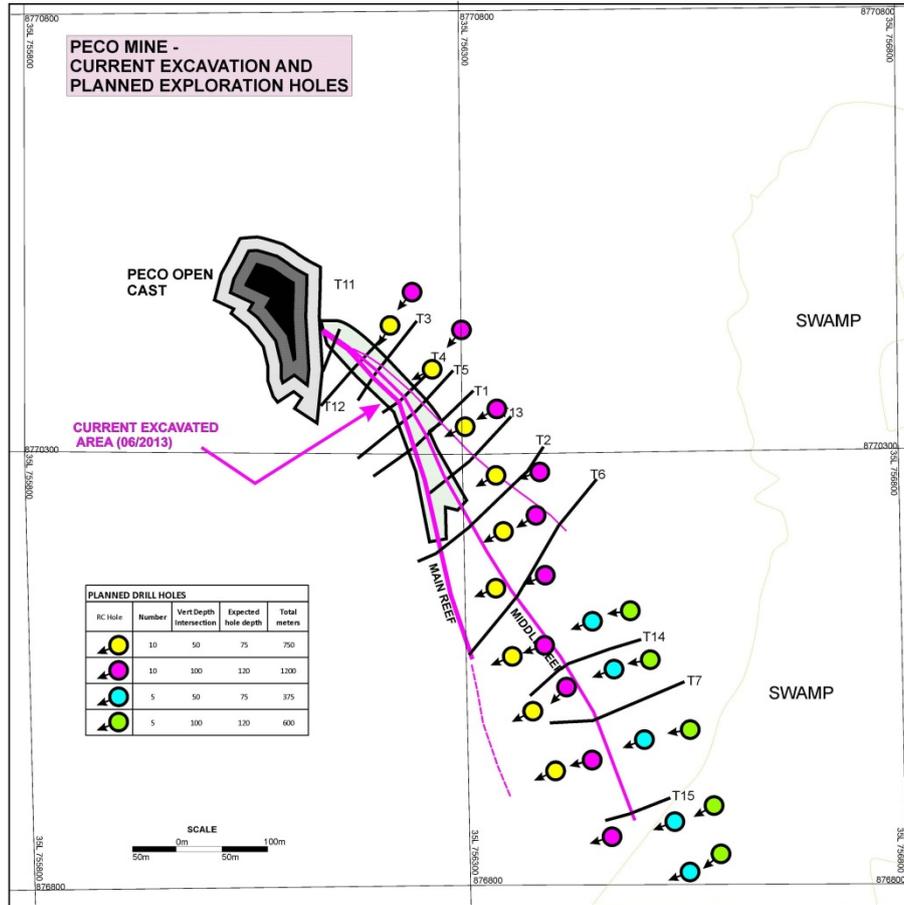


Scrubber Trommel and Jig Circuit Unit

Drilling Program

The Company's drilling program is underway at its Northern Zambian manganese project at Mansa with 17 holes (870m) drilled during the quarter as part of a 1,200m program. The indicative results from initial drilling were very encouraging and the Company has expanded the program to drill additional deeper holes targeting confirmation of the known mineralisation area and potential extension of this area. These drilling results will be used in conjunction with the recent scoping study to prepare a JORC compliant resource statement at the Mansa Project.





Exploration Program at Mansa, Northern Zambian Manganese Project

Emmanuel Project

During the quarter ongoing exploration and development works were undertaken at the Emmanuel Project. 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.

CORPORATE

On 4 September 2013 the Company 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.

For and on behalf of the Board



Tokkas Van Heerden
Chief Executive Officer

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About Kaboko Mining Limited

Kaboko Mining Limited (ASX:KAB) is an ASX listed exploration, development and mining company primarily focused on establishing itself as a major producer and exporter of high grade manganese ore from its portfolio of assets in Zambia. Kaboko currently holds majority interests in 5 large scale prospecting licenses and 2 small scale mining licenses covering over 2,700km² in established and highly prospective manganese mining regions in Zambia. The Company is focused on the development of its large license holdings and establishing long-term sustainable production of a high grade and high quality manganese ore initially from its Mansa, Northern Zambia 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 Zambia 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.

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")

30 September 2013

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors, including proceeds under long-term offtake agreements	358	358
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(350) (590) - (189)	(350) (590) - (189)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(771)	(771)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (769)	- - (769)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – related party loan funding received	-	-
Net investing cash flows		(769)	(769)
1.13	Total operating and investing cash flows (carried forward)	(1,540)	(1,540)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,540)	(1,540)
	Cash flows related to financing activities		
1.14a	Proceeds from issues of shares, options, etc.	208	208
1.14b	Shares to issue	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,858	1,858
1.17	Repayment of borrowings	(281)	(281)
1.18	Dividends paid	-	-
1.19	Other (Capital raising costs)	(2)	(2)
	Net financing cash flows	1,783	1,783
	Net increase (decrease) in cash held	243	243
1.20	Cash at beginning of quarter/year to date	267	267
1.21	Exchange rate adjustments to item 1.20	(2)	(2)
1.22	Cash at end of quarter	508	508

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

1.2 Explanation necessary for an understanding of the transactions

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	200
4.2 Development	300
4.3 Production	-
4.4 Administration	150
Total *	650

*

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	508	267
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	508	267

+ See chapter 19 for defined terms.

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	13030-HQ-LPL	-	51%*

*With option to increase to 75%

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	877,247,693	877,247,693	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	6,415,164	6,415,164	
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 <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	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 <i>(shareholders approved 28 June 2013)</i>
	292,289,368	292,289,368		\$0.012	31 August 2016
7.8	Issued during quarter	292,289,368	292,289,368	\$0.012	31 August 2016
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>				

+ See chapter 19 for defined terms.

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 October 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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