

Ikwezi Mining Limited

Investor Presentation



For personal use only



July 2011

Disclaimer

NO LIABILITY

Ikwezi Mining Limited (incorporated in Bermuda with registered company number 45349) ARBN 151 258 221 (**Ikwezi Mining**) has prepared this document based on information available to it at the time of preparation, from sources believed to be reliable and subject to the qualifications in this document. To the maximum extent permitted by law, Ikwezi Mining, and each of its affiliates, related bodies corporate (as that term is defined in the Corporations Act) and their respective directors, employees, officers, representatives, agents, partners, consultants and advisers (each a Limited Party and together, the Limited Parties) accept no responsibility or liability for the contents of this document. No representation or warranty, express or implied, is made as to the fairness, accuracy, adequacy, validity, correctness or completeness of the information, opinions and conclusions contained in this document. To the maximum extent permitted by law, none of the Limited Parties accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss whatsoever arising from the use of this document or its contents or otherwise arising in connection with it.

FORWARD-LOOKING STATEMENTS

This document contains statements, opinions and projections, all preliminary in nature, prepared by Ikwezi Mining on the basis of information developed by itself in relation to its Newcastle, Newcastle Phase 2 and Acorn coal projects (the Newcastle Project, Newcastle Phase 2 Project and Acorn Project, respectively, and together the Projects). Such information can be described as at the pre-feasibility stage, due to the limited information provided to date, and may be subject to change. Certain statements, beliefs and opinions contained in this document, particularly those regarding the possible or assumed future performance of Ikwezi Mining and the Projects are or may be forward looking statements. Forward looking statements can be identified by the use of forward looking terminology, including, without limitation, the terms "believes", "estimates", "anticipates", "expects", "predicts", "intends", "plans", "goals", "targets", "aims", "outlook", "guidance", "forecasts", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts. By their nature, forward looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond Ikwezi Mining's ability to control or predict which may cause the actual results or performance of Ikwezi Mining and the Projects to be materially different from the results or performance expressed or implied by such forward-looking statements. Forward looking statements are based on assumptions and are not guarantees or predictions of future performance. No representation is made that any of these statements or projections will come to pass or that any forecast result will be achieved, nor as to their accuracy, completeness or correctness. Similarly, no representation is given that the assumptions upon which forward looking statements may be based are reasonable. Forward looking statements speak only as at the date of this document and Ikwezi Mining disclaims any obligations or undertakings to release any update of, or revisions to, any forward-looking statements in this document.

All dollar values contained in this document are in Australian dollars (A\$) and the pro forma financial information is presented as at 31 May 2011 unless otherwise stated.

INFORMATION RELATING TO MINERAL RESOURCES

The information in this presentation that relates to mineral resources is based on information compiled by Petrus Cornelius Meyer, who is the sole proprietor of PC Meyer Consulting CC and a Member of The Geological Society of South Africa, a Recognised Overseas Professional Organisation (ROPO) included in the list of ROPOs promulgated by ASX Limited. Mr Meyer has sufficient experience which is relevant to the style of mineralisation and 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, Mineral Resources and Ore Reserves'. Mr Meyer consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Mineral resources information included in this presentation is presented in accordance with the JORC Code. Investors should note that it is a requirement of the Listing Rules that the reporting of mineral resources and ore reserves in Australia are prepared in accordance with the JORC Code, whereas mining companies in other countries may be required to report their resources and/or reserves in accordance with other guidelines. Investors should note that while our mineral resources estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries.

INFRASTRUCTURE DISCLAIMER

This presentation makes reference to infrastructure capacity. This does not however mean that the Newcastle Project will produce coal at or up to this capacity. The level of our potential coal production, and our ability to produce coal at all, will be dependent on a number of factors, including us fulfilling the requirements for and being granted a mining right and water use licenses, obtaining access to the infrastructure required to commence mining operations and transport our coal products, mining, metallurgical, economic, marketing, legal, environmental, social and governmental. In particular, while we have JORC Code compliant resources, these are not ore reserves within the meaning of the JORC Code. Accordingly, it is uncertain whether our JORC Code compliant resources can be mined in an economically viable manner to achieve at, or up to, that capacity or at all. There remains insufficient certainty with respect to whether economically mineable mineralisation exists at the Newcastle Project to reliably estimate future production rates.

Table of Contents

- I. Corporate Overview
 - ii. Investment Highlights
 - III. Directors & Management
 - IV. Thermal Coal Market
 - V. Newcastle Project
 - VI. Newcastle Project Phase 2: Dundee Prospect
 - VII. Acorn Project
 - VIII. IPO Details – Use of Funds
- Appendices
- A. Thermal Coal Market
 - B. Peer Comparison

Corporate Overview

Emerging thermal coal producer with plans to create a substantial resources company

For personal use only

Corporate Objectives

- Leverage our expertise (former NuCoal Mining team) in mine development, logistics and new project generation
- Bring the Newcastle Project into production by Q2 CY'12
- Utilise our strong relationships with logistics and infrastructure providers to expand production
- Maximise the value of our existing "blue sky" projects
- Build long term scale through selective acquisitions and joint ventures

Capitalisation Summary

Issued shares	338.8m
Market capitalisation @ \$0.20	\$67.8m
Cash (post IPO)	\$31.0m
Enterprise value	\$36.8m
Founding shareholders (24 month escrow)	50.2%

Investment Highlights

For personal use only

✓ Experienced Board & Management led by former NuCoal Mining team

✓ Newcastle Project is a near term development opportunity

✓ Strategically located to access key export and domestic markets

✓ Infrastructure and logistics discussions at an advanced stage

✓ Clear path to production by Q2 CY'12

✓ Long term scale through exploration, selective acquisitions and JVs

Directors & Management

Strong Board and Management led by former NuCoal Mining team

Simon Hewetson – Chairman



Simon was co-founder and CEO of NuCoal Mining (NuCoal) where he was responsible for building the operation up to a 2.5 mtpa production level before selling the company to Coal of Africa in early 2010. Simon has extensive trading experience in a number of commodities, and the development of junior companies.

David Pile – Managing Director



David is a Chartered Accountant (registered in South Africa) with comprehensive experience across a number of industries in Sub-Saharan Africa, South East Asia and Australia. Most recently he was the CFO of Minara Resources and prior to that the Chief Financial Officer of Ingwe Collieries, BHP Billiton's South African energy coal operations, where he was also a Director of RBCT.

Directors & Management

Strong Board and Management led by former NuCoal Mining team

Rinaldo Anthony – Executive Director



Rinaldo is a registered South African geologist and a member of the Geological Society of South Africa. Rinaldo previously worked for BHP Billiton in the mineral resource department of the Energy Coal Division, where he was responsible for the reporting of global coal reserves and resources. Most recently Rinaldo was Deputy CEO of NuCoal.

Roger Rees – Non-executive Director (effective 22 July 2011)



Roger brings a wealth of financial and management experience to the Board. Roger has held a number of senior management positions, including serving as the Finance Director of South African engineering and construction business Murray & Roberts Ltd for over 10 years. Roger was also non-executive director of Clough Limited from November 2005 and Deputy Chairman from April 2010 to July 2011.

Directors & Management

Strong Board and Management led by former NuCoal Mining team

Malcolm Ford – Chief Operating Officer



Malcolm is a registered Certificated Mining Engineer. He is a Fellow of the Southern African Institute of Mining and Metallurgy. He has over 30 years experience in managing large opencast and underground coal mines in South Africa for Randcoal and Ingwe Collieries. Malcolm also has extensive experience consulting to many of the major coal companies in South Africa, and in developing and operating mines in the Mpumalanga and Kwazulu-Natal areas, including with Mashala Resources (Pty) Ltd and NuCoal. He is the holder of a Mine Managers Certificate of Competency (Coal Mines) issued by the DMR.

Godfrey Mfetoane – Corporate Affairs Manager



Godfrey has a legal back ground and has worked primarily with the DMR. Godfrey was previously the Regional Manager for the DMR for the North West Province and Northern Cape regions in South Africa before being appointed Director: Empowerment Transaction assessment for the DMR.

Greg Goulding – Chief Financial Officer



Greg is a South African Chartered Accountant with 14 years' experience in the coal mining industry. Greg served as Financial Manager for Eskom's Primary Energy Department which was responsible for the procurement of primary energy (coal) for use by Eskom. Most recently Greg was the CFO of NuCoal.

Seaborne Thermal Coal Market

South Africa ideally positioned to deliver into buoyant Asia Pacific market

- Strong demand for energy coal in Asia Pacific
- China now a large net importer of coal (net exporter as recently 2008)
- India expected require >100mt of imported coal
- India imported 36% of South Africa's thermal coal exports in May '11
- Seaborne thermal coal demand within Pacific will need to grow by an estimated 400mt by 2025
- Supply growth constrained by infrastructure, escalating capital costs and diminishing coal quality
- Indonesia faces a difficult permitting environment

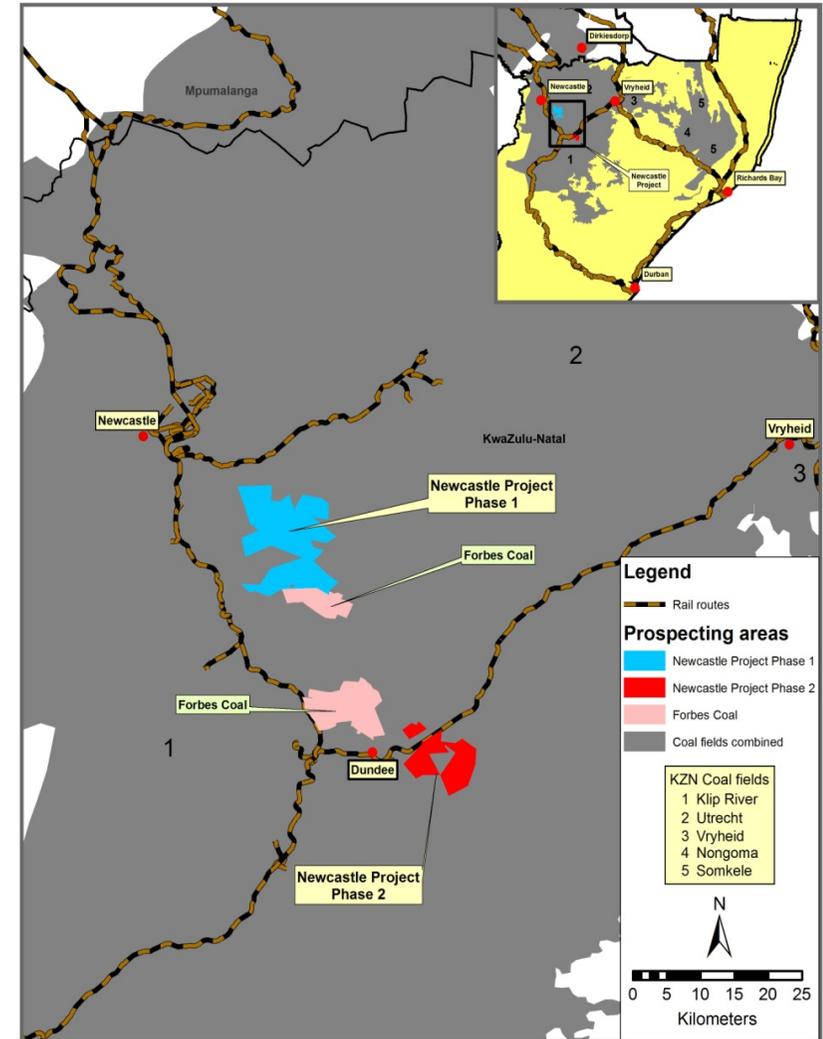


Newcastle Project

Near term development opportunity

Project Overview

Ikwezi ownership	<ul style="list-style-type: none"> • 70%¹
Location	<ul style="list-style-type: none"> • Northern KwaZulu Natal
Tenure	<ul style="list-style-type: none"> • Mining Right application
Size	<ul style="list-style-type: none"> • 12,182 ha
Resource	<ul style="list-style-type: none"> • JORC Resource 209mt
Product	<ul style="list-style-type: none"> • Export grade thermal coal • Low volatile coal (lean)
Logistics & Infrastructure	<ul style="list-style-type: none"> • Letter of intent received for logistics mgmt • Requests for tender issued for wash plant • Letter of support from Transnet for lease of rail siding, and initial rail capacity 1.5mtpa • Negotiating with Ports of Durban & Richards Bay
Development approvals	<ul style="list-style-type: none"> • Mining Right & Water Use License expected in Q4 CY'11
Capex	<ul style="list-style-type: none"> • \$A21m

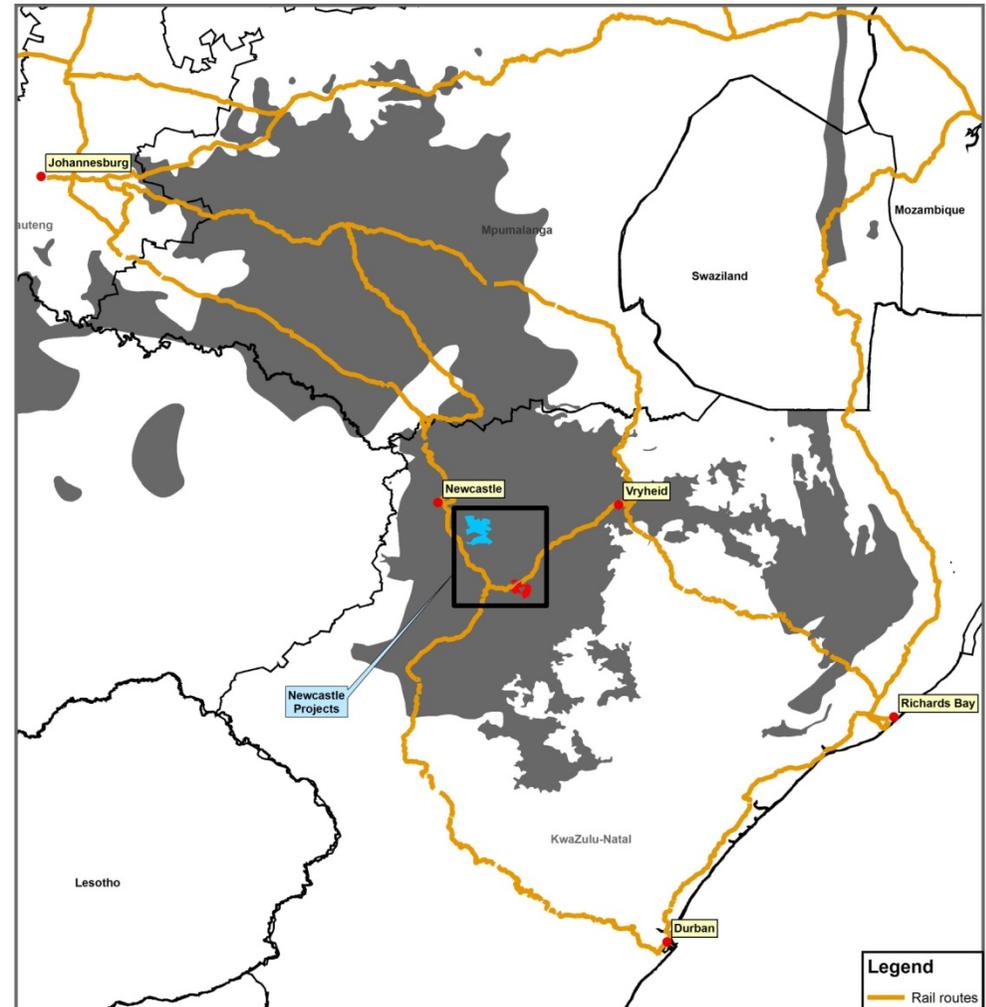


Note 1: Ikwezi is funding 100% of the Newcastle Project development costs. The BEE share of these costs is expected to be recouped from future profits of the Newcastle Project.

Newcastle Project

Strategically located to access export and domestic markets

- Klip River coalfield in KwaZulu Natal
- Located on the “port side” of the Overvaal rail bottleneck
- Not constrained by rail capacity
- Retain flexibility to export via Ports of Durban or Richards Bay
- Adjacent to the Magdalena coal mine operated by Forbes Coal (TSX:FMC, Market Cap A\$~120m), which is forecast to produce approximately 0.9mt of saleable coal in FY12¹
- 31km from Mittal’s Newcastle Steelworks



Note 1: Refer to Forbes Coal - July 2011 Investor Presentation (12 months ending February '12)

Newcastle Project

JORC Resource of 209mt

Newcastle Project JORC Resource (GTIS)¹

Measured Resource	9.8mt
Indicated Resource	9.4mt
Inferred Resource	190.4mt
Total Resource	209.6mt

Resource Specification (Raw)

Ash	25.37%
Inherent Moisture (IM)	1.92%
Volatile matter	15.82%
Sulphur Content (TS)	2.35%
Calorific Value (CV)	24.77 MJ/kg

- Main focus of the Newcastle Project is the Top Seam, which includes a Measured Resource (Raw) of 9.8mt with Ash 29.4%, IM 2.33%, Volatility 15.11%, TS 1.83% and CV 22.64 MJ/kg
- Geological complexities, and relatively high sulphur content, are offset by improved coal quality (in particular high CV), logistical advantages and access to export markets
- Mining will be a combination of open cast and underground methods.

Newcastle Project

Infrastructure and logistics discussions at an advanced stage

Logistics

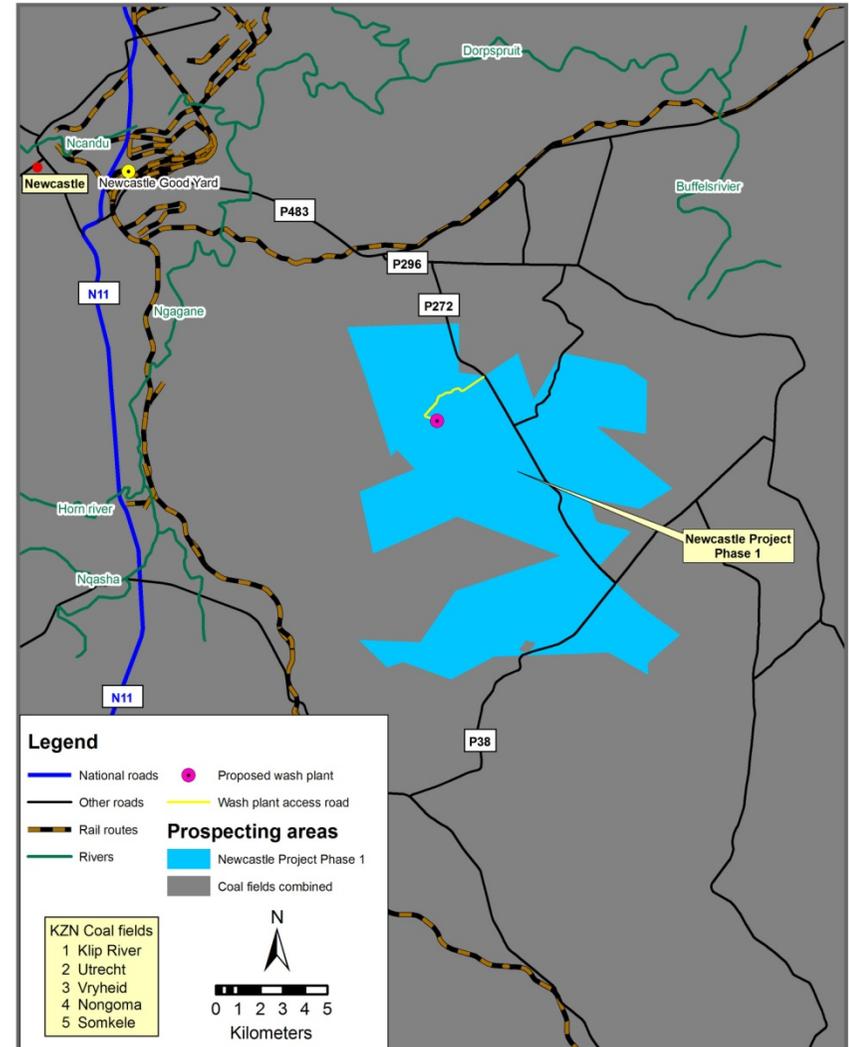
- Letter of intent from Barberry Logistics, a specialist rail and ports services provider, to manage logistics, and fund the rail siding
- Rail siding intended to be funded on a per ton basis over 5 years, at normal commercial rates

Wash Plant

- Requests for tender issued for wash plant
- Initial capacity 170kt/month (ROM)
- Intended that third party will build, own and operate (+ fund)
- Deposit of A\$2.8m included in IPO use of funds

Rail Siding

- Existing siding adjacent to Mittal Steelworks
- Linked by 23km of good quality tarred public road to within 1km of proposed wash plant
- Budgeted cost R19.2m (~A\$2.6m) to return to operation at initial capacity 1.5mtpa (saleable)



Newcastle Project

Infrastructure and logistics discussions at an advanced stage

Rail

- Letter of support received from Transnet for:
 - Lease of Newcastle rail siding; and
 - 1.5mtpa of rail capacity to Ports of Durban and/or Richards Bay
- Subject to binding documentation

Port

- Access to Ports of Durban and Richards Bay
- In discussion with port operators
- Well positioned to secure port capacity given location to existing rail lines
- Quicker turn around time compared to projects in other regions

Newcastle Project

Export quality product

Product Spec

- Variety of products expected to be produced
- RB1 export product through to a low volatile product (lean coal)
- Generally have elevated sulphur levels and slightly lower volatiles, but high CV
- Will require more specialised marketing

Nearby Mines

- Magdalena, an adjacent mine operated by Forbes Coal (TSX: FNC), is currently producing coal that is being sold into both export and domestic markets¹

Export

- Export market is the priority
- Strong demand from India in particular
- Expressions of interest for off-take received from commodity traders and end-users

Domestic

- Strong domestic demand for product
- Nearby industrial users

Newcastle Project

Pathway to production

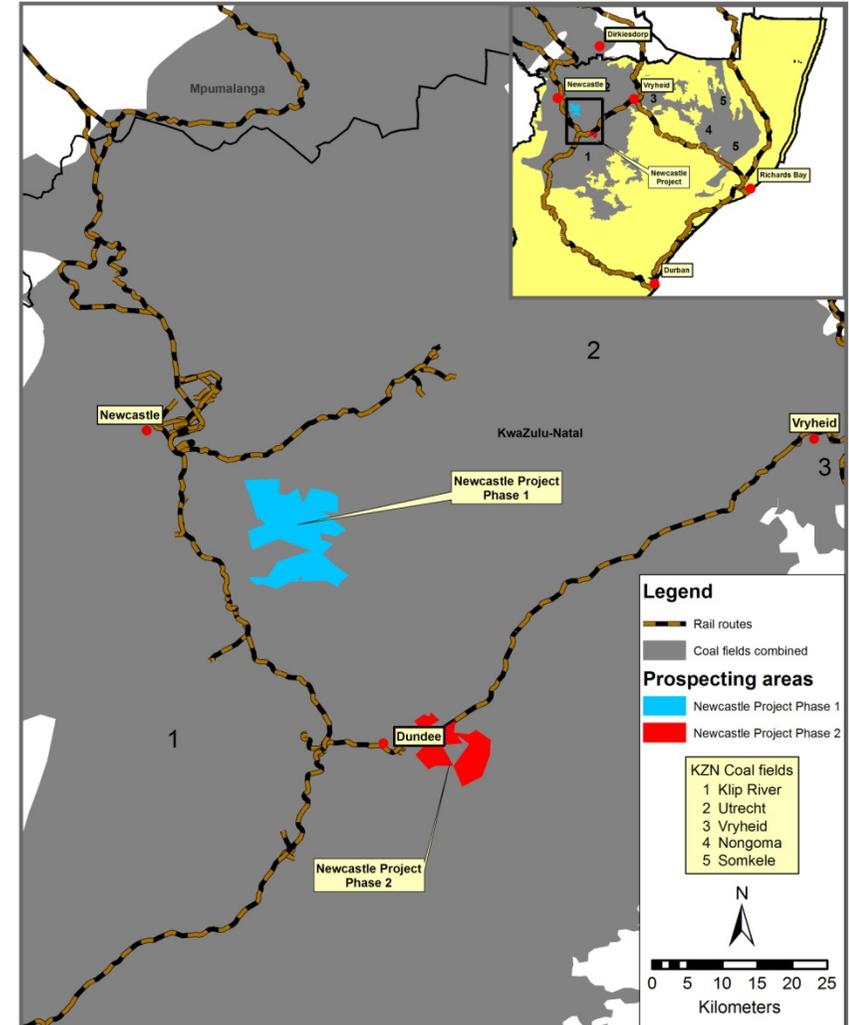
INDICATIVE TIMING GOALS	2011			2012			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IPO of Ikwezi	■	■					
Further exploration results from Newcastle Project		■					
Execute binding agreements with Transnet		■	■				
Mining Right issued			■				
Water Use licence issued			■	■			
Plant and infrastructure construction			■	■			
Initial production at the Newcastle Project				■	■		
Commercial production					→		

- Mining Right application expected to be decided upon in October
- Environmental management programme report (EMPR) was lodged in July '11
- Application for Water Use Licence will be submitted shortly.

Newcastle Project Phase 2: Dundee Prospect

Medium term project upside

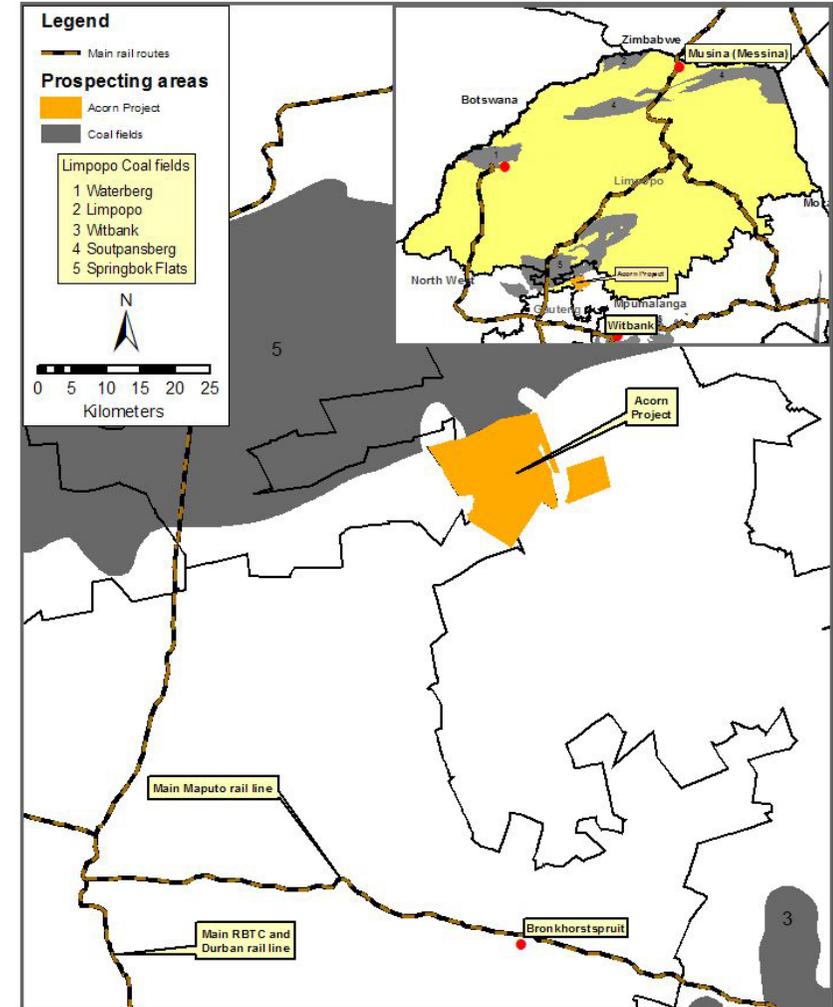
Project Overview	
Ikwezi ownership	• 60%
Location	• Northern KwaZulu Natal
Tenure	• Prospecting Right
Size	• 4,664 ha
Resource	• Exploration potential
Product	<ul style="list-style-type: none"> • Export grade thermal coal • Lean coal • Anthracite
Project Highlights	<ul style="list-style-type: none"> • Area well known to management • Expect to demonstrate good quality, low phosphorous coal • Proximity to rail sidings with capacity
Exploration	<ul style="list-style-type: none"> • Exploration program planned Q4 '11 • Drill to a 1,000m borehole spacing grid • JORC Resource drilling to commence following initial programme



Acorn Project

Blue sky exploration potential

Project Overview	
Ikwezi ownership	• 60%
Location	• Gauteng Province
Tenure	• Prospecting Right
Size	• 20,758 ha
Resource	• Exploration potential
Product	• Thermal coal
Project Highlights	<ul style="list-style-type: none"> • Coal fields in region show similar characteristics to Waterberg • Utilities (e.g. Eskom) planning to increase activities in region • Potential to unlock significant value if infrastructure becomes available
Exploration	• Initial program planned commence Q4 '11



IPO Details

Use of Funds

Use of Funds (\$m)	
Newcastle Project development capital	21
Exploration	1
Review and assessment of new projects	4
Working capital and creditors	5
Offer costs	2
<i>Less existing cash</i>	(3)
Total	30
Newcastle Project Development Capital (\$m)	
Development studies	1.9
Drilling	1.9
Environmental and bonding	1.0
Land acquisition and relocation	2.1
Wash plant deposit	2.8
Site establishment and boxcut development	7.9
Contingency	3.4
Total	21

Note 1: Assumes an exchange rate of AUD:ZAR of 7.30

For personal use only

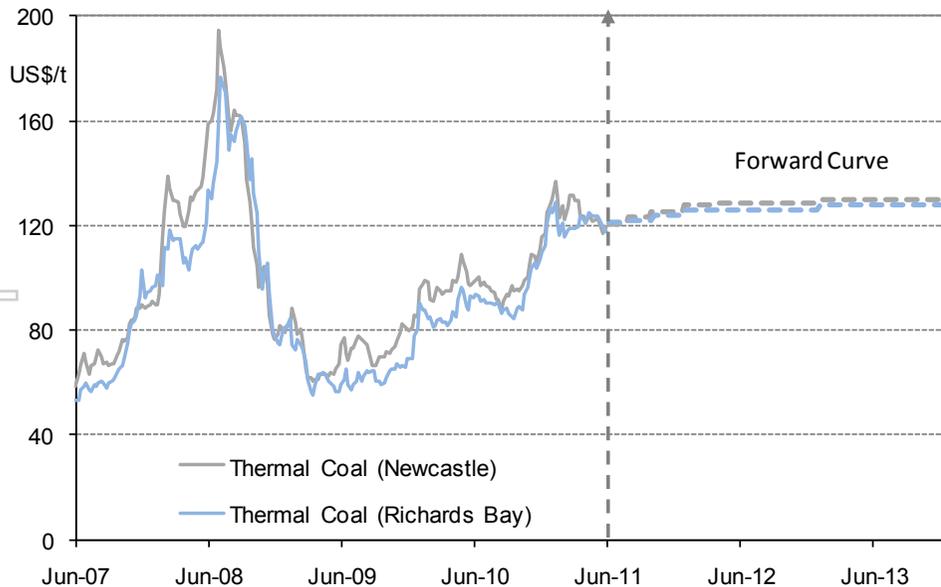
Thermal Coal Market

Price forecasts underpinned by strong fundamentals

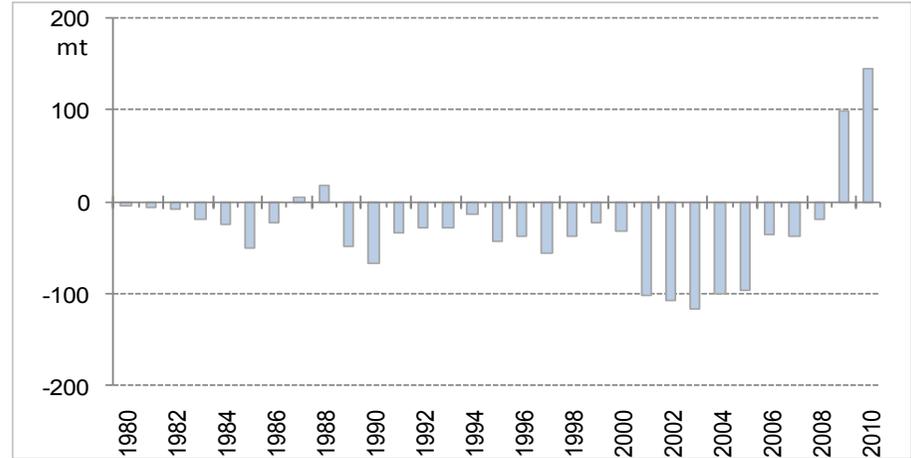
Strong demand for energy coal in Asia Pacific

- China, which was a net exporter as recently as 2008, imported 165mt of coal in 2010
- India is expected to require > 100mt of imported coal
- Wood Mackenzie estimate that overall seaborne thermal coal demand within the Pacific will need to grow by 400mt by 2025
- South Africa ideally placed to supply this market (location, coal quality)

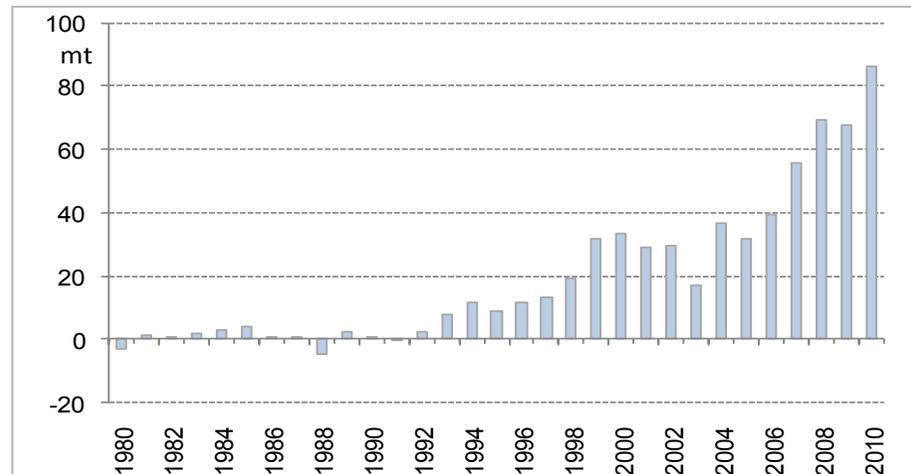
Thermal Coal Price (FOB)



China Net Coal Imports



India Net Coal Imports



Peer Comparison

Likely re-rating as development milestones achieved

Company	Ticker	Mkt Cap (A\$m)	EV (A\$m)	Project Location	Project Ownership	Dv'ment Approval	Attributable Resource	EV/t (A\$)
Ikwezi Mining¹	ASX: IKW	68	37	KwaZulu Natal	70%	Mining Right application	147 mt	0.25
Forbes Coal ²	TSX: FMC	119	124	KwaZulu Natal	70%	Production ³	72 mt	1.73
Continental Coal	ASX: CCC	121	134	Mpumalanga	37-55.5%	Production ⁴	251 mt	0.54
Universal Coal	ASX: UNV	74	60	Mpumalanga	50-70.5%	Mining Right ⁵	192 mt ⁶	0.31 ⁶
Xceed Resources	ASX: XCD	20	9	Mpumalanga	74%	Prospecting Right	41 mt	0.23
ZYL ⁷	ASX: ZYL	97	63	Mpumalanga	50% ⁸	Mining Right application	57 mt	1.10

Source: Euroz Research, Company presentations and IRESS; Market capitalisation as at 15 July 2011 unless otherwise noted

Notes:

1. At the issue price of A\$0.20

3. Forecast to produce 1.06mt of saleable coal in the 12 months to 28 Feb '12

5. Mining Right granted for Kangala domestic thermal coal project. Mining Right application submitted for Roodekop export thermal coal project

6. Excludes metallurgical coal resources

7. Post capital raising at A\$0.20 per share

2. Post completion of Slater Coal acquisition

4. Total forecast sales of 2mt export and under 3mt domestic in FY'12

8. Right to earn a 50.12% interest upon completion of a BFS and an equity contribution