



ASX Code: IKW

26th February 2012

Company Announcements Office
Australian Securities Exchange
Level 4 Exchange Centre
20 Bridge Street
Sydney NSW 2000

IKWEZI GRANTED MINING RIGHT FOR ITS NEWCASTLE PROJECT

Ikwezi Mining Limited (**ASX:IKW**, the **Company** or **Ikwezi**) the South Africa-focused coal exploration and development company is pleased to announce that the Department of Mineral Resources (DMR) has granted it a Mining Right for its Newcastle project. This represents an important milestone for the Company which remains on track to bring the Newcastle Project into production in Q2 2012. The project will produce a combination of thermal coal for the export market and anthracite for the domestic market.

Applications for an integrated water use license (IWUL) together with the required NEMA applications for the Newcastle Project have been lodged with the various Departments and are in process. The Company expects the required approvals to be received in early Q2 2012.

Construction of a wash plant capable of processing 170,000 tons ROM per month remains on schedule with expected commissioning on site in May 2012.

The wash plant and related discard dumps have been designed to allow for the doubling of capacity of the wash plant to take the total processing capacity to 340,000 tons ROM per month in line with the planned ramp up of the operation in late 2013.

As previously advised, the Company has entered into a Transport Agreement with Transnet Freight Rail (TFR) further to their letter of commitment to provide 1.5 Mtpa rail to either Richards Bay or Durban from its Newcastle Project.

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Discussions continue with the various port operators and trading companies for the provision of port facilities and off take arrangements for the Newcastle Project. These are well progressed and are expected to be finalised shortly.

Negotiations with TFR and the relevant port authorities for the provision of rail and port capacity to support the development of the Company's Waterberg Project are progressing well. Securing the required logistics will enable the Company to proceed with the development of this project, which if successful, will contribute significant value to the operation.

The granting of the mining right represents an important milestone for the Company which remains on track to bring the Newcastle Project into production during Q2 2012.

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