



ASX Code: IKW

21 January 2014

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

Ikwezi Mining Limited (**ASX: IKW, Ikwezi Mining or Company**) is pleased to announce that it has entered into an agreement with Forbes & Manhattan Coal Corp. ("Forbes Coal") to sell to it a portion of the Ikwezi mining right over the property known as Alleen No. 2, located north of Dundee in the Kwa-Zulu Natal province in South Africa, adjacent to Forbes Coal's current Magdalena opencast operations ("Alleen No. 2").

Zinoju Coal Proprietary Limited, a subsidiary of Forbes Coal, will acquire Alleen No. 2 for a purchase price of ZAR 8 million (\$0.84 million AUD), based on the estimated run of mine that can be extracted from the mining right area. If the run of mine actually extracted exceeds the agreed upon production threshold, Ikwezi is entitled to receive a top-up payment equivalent to ZAR 10 (\$1 CAD) per tonne extracted which exceeds the production threshold.

The agreement is subject to the Company receiving written consent from the Minister of Mineral Resources of the application of sale of the mining right from Ikwezi and the application to purchase the mining right by the Company, in terms of section 102 of the Mineral and Petroleum Resources Development Act, on or before 30 April 2014.

The sale of Alleen No. 2 does not affect the Ntendeka Collieries Reserves and Resources as set out in the Company's announcement dated 17th May 2013 and is not included in the operations current mine plans.

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Ranaldo Anthony, an Executive Director of the Company. Mr Anthony has more than 12 years of experience in the South African coal industry, holds a B.Sc. Hons. (Geology) degree from the University of Natal and is an active member of the Geological Society of South Africa. The Geological Society of South Africa is a "Recognised Overseas Professional Organisation" ('ROPO') and is included in the list of ROPOs promulgated by the ASX. All work related to Mine planning, design and reserve determination was conducted by independent contractors, with sufficient qualifications, experience and knowledge, to meet the requirements of a Competent Person, and was collectively supervised and approved by Mr Ranaldo Anthony.

Ranaldo Anthony 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ranaldo Anthony consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Ikwezi Mining Limited (incorporated in Bermuda with registered company number 45349)
ARBN 151 258 221
Clarendon House
2 Church Street
Hamilton
HMCX Bermuda

ABOUT IKWEZI

Ikwezi Mining Ltd is focused on the exploration and development of coal projects in South Africa. Ikwezi has a 70% stake in the Ntendeka Colliery and a 60% interest in the Dundee, Acorn and Assegai projects. The Ntendeka Colliery is located in the KwaZulu-Natal coal fields and is in close proximity to rail and port infrastructure.

For further information contact:

David Pile

Managing Director

Tel: +27 11 994 8900

Email: david@ikwezi.co.za

Disclaimer regarding future matters and forward-looking statements

This announcement contains reference to certain intentions, expectations, estimates, future plans, strategy and prospects of the Company. Those intentions, expectations, estimates, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or implied, is made by the Company or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved and each of those persons expressly disclaims all liability with respect to such forward-looking information. Given the risks and uncertainties that may cause the Company's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects.