



ASX Code: IKW

31 October 2017

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

## QUARTERLY ACTIVITIES REPORT – 3 MONTHS ENDED 30 SEPTEMBER 2017

Ikwezi Mining Limited (ASX: IKW, Ikwezi Mining or Company).

### Thermal coal markets

Thermal coal prices improved during the quarter ended 30 September 2017. The spot API 4 index (basis FOB Richards Bay for 6,000 NAR material) strengthened during the quarter, and ended with an upward bias when compared with the previous quarter.

The API4 index is trading in the range of US\$84 – US\$92 for the next 12 months, with the spot rate pegged above US\$90 at the date of this report.

### Finance update

The cash and cash equivalents of the Company at 30 September 2017 aggregated A\$ 0.929 million (30 June 2017: A\$ 1.278 million).

During the quarter ended 30 September 2017, the Company spent cash on relocation of houses, (the completion of this process is a precursor to the commencement of mining operations), repayment of creditors in addition to incurring fixed overheads and costs to ready the Ntendeka Colliery to commence mining.

Ikwezi Mining Limited (incorporated in Bermuda with registered company number 45349)  
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## Update on the status of project implementation

Following is a summary of the key events for the quarter ended 30 September 2017:

1. The Company continues to progress all available options to complete the relocation of the remaining 3 households who are resisting relocation. These houses fall within the central opencast mining area and the required buffer zone that surrounds it. The matter once decided by the court will influence the start date of mining. In the interim, the Company is exploring options to start the operations at a location in the mining area which is not affected by the resisting houses, while the court proceedings are still underway.
2. The Company will decide on the optimal offtake / sales arrangements for the coal once the operational start up time frame and availability of coal for export are known.
3. No further geological or mine planning work was undertaken during the quarter on the remainder of the resource.
4. The Company is on track to start mining in the coming months subject to completion of remaining relocations and activities required to be done as per the various approvals and permits prior to the actual start of mining.

### Summary

The API index remains comfortably above the range which supports the decision to mine and sell ROM coal. Management efforts are focussed on commencing mining operations profitably in the current market conditions. Accordingly, the Company is implementing steps to minimise risks that could potentially affect the start of production and sale of ROM coal in due course, subject to the completion of relocation process.

### 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 Assegai project. The Ntendeka Colliery is located in the KwaZulu-Natal coal fields and is in close proximity to rail and port infrastructure.*

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### 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.

## Appendix – Tenement information

In accordance with Listing Rule 5.3.3, details of the Company's and its controlled entities interests in tenements as at 30 September 2017 are outlined below:

Project name	Type	Reference	Number of hectares and location	Ownership	Licensee
Ntendeka Colliery (formerly Newcastle Project Phase 1)	Mining right	KZN 30/5/1/2/297 MR MPTRO: 77/2012 MR	12,182ha, Northern KwaZulu Natal, South Africa	70%	Ikwezi Mining (Pty) Ltd
Assegai Project	Prospecting right	MP305/1/1/2/4397 PR MPTRO: 12/293 PR	3,998ha, Mpumalanga Province, South Africa	60%	Bokamoso Resources (Pty) Ltd

### Mining tenements acquired during the quarter:

Nil

### Mining tenements disposed of during the quarter:

Nil

### Notes:

1. Ikwezi Mining Limited holds a 70% interest through its 70% holding in Ikwezi Mining (Pty) Ltd.
2. Ikwezi Mining Limited holds a 60% interest through its 60% holding in Bokamoso Resources (Pty) Ltd

### Other beneficial interests

Ikwezi Mining Limited held no other beneficial interests in farm-in or farm-out arrangements during the quarter ended 30 September 2017.