

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

Name of entity

IKWEZI MINING LIMITED

ABN

ARBN 151 258 221

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development (*)	(1 977)	(3 479)
(c) production	-	-
(d) staff costs	(101)	(185)
(e) administration and corporate costs	(31)	(162)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material) - Advances	851	851
1.9 Net cash from / (used in) operating activities	(1 257)	(2 973)

(*) Relates to the development of the initial box cut and related costs together with the build-up of the initial ROM (Run of Mine) coal inventories on site. The year to date figure of AUD3.479 million includes an amount of AUD1.502 million which was reclassified to 1.2 (d) from 2.1 (d) where it was disclosed in the Q1 Appendix 5B

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(216)	(310)
(b) tenements (see item 10)	-	-

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(c) investments	(44)	(88)
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans from other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(260)	(398)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	1 540	3 459
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (Rights Issue) (Refer note 8)	2 083	2 083
3.10 Net cash from / (used in) financing activities	3 623	5 542

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	196	131
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1 257)	(2 973)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(260)	(398)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	3 623	5 542

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period*	2 302	2 302

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	133	93
5.2	Call deposits	2 169	103
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2 302	196

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter \$A'000
-
-

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter \$A'000
-

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	4 000	4 000
8.2 Credit standby arrangements	-	-
8.3 Other (Rights Issue)	2 083	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

On 21 November 2018, a renounceable entitlement issue was announced by the Company. It entitled shareholders registered at the Record Date, to three shares for every one share held, at an issue price of \$0.002 per share. The issue size was A\$6,097,500 (based on the number of Shares on issue as at the date of the Prospectus).

On 10 December 2018, 1,041,360,651 entitlement issue shares were accepted, totalling A\$2.083 million. The shortfall of 2,007,389,349 shares was fully underwritten by Finevest Investments Limited, a company incorporated in the United Arab Emirates. The underwritten shares were issued subsequent to the end of the quarter and A\$4.0145 million was received by the Company.

At 31 December 2018, the Company had fully utilised the loan facilities of ZAR 40.5 million (approx. AUD 4.0 million), obtained from OSHO SA Coal (Pty) Ltd, a related party. The loan facilities attract interest at 10 percent per annum, with repayment to be made during 31 August 2019 to 30 November 2019, with a provision for early repayment.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	1 500
9.4 Staff costs	100
9.5 Administration and corporate costs	50
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1 650

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Company secretary)

Date:31 January 2019.....

Print name: ..ALEX NEULING.....

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.