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30 September 2020

Company Announcements Office
Australian Securities Exchange

COMMENCEMENT OF ARBITRATION PROCEEDINGS WITH THE COMPANY'S ERSTWHILE MINING CONTRACTOR, STEFANUTTI STOCKS MINING SERVICES, A DIVISION OF STEFANUTTI STOCKS (PTY) LTD

Ikwezi Mining Limited (ASX: IKW or the **Company**).

The Company wishes to announce that its 70% owned South African subsidiary, Ikwezi Mining (Pty) Ltd ("Ikwezi") has begun processes towards the arbitration hearing with its former mining contractor Stefanutti Stocks Mining Services ("SSMS"), which will be set down sometime in the first quarter of 2021.

Briefly, the matter relates to a dispute which Ikwezi has with SSMS relating to poor performance and under delivery of coal production targets giving rise to penalty claims. SSMS in turn has a counterclaim which it contends that a call made on the performance guarantee under the mining contract was improperly made and seeks repayment of that sum along with other contractual damages arising from cancellation.

Presently, the Company is engaged in the exchange of pleadings, claims and counterclaims on the matter.

Approximately R127 million (A\$10.6 million) is the amount encompassing the claim by Ikwezi from SSMS and R39 million (A\$3.3 million) as a counterclaim by SSMS from Ikwezi.

More details shall be provided in this matter, as and when new developments occur.

For further details, contact Mr Nitin Agrawal via email on nitin@ikwezi.co.za and/or +27 10 446 8452.

This announcement has been authorised by the Board of Ikwezi Mining Limited.

ABOUT IKWEZI

Ikwezi Mining Ltd is focused on the exploration and development of coal projects in South Africa. The Ikwezi mining right area consists of a number of opencast and underground areas. The Kliprand Colliery (previously, Ntendeka) is the initial opencast area where mining operations have commenced. Ikwezi has a 70% stake in the mining right area located in the province of KwaZulu-Natal and are in close proximity to rail and port infrastructure.

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.