



ASX Code: IKW

28 April 2017

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

QUARTERLY ACTIVITIES REPORT – 3 MONTHS ENDED 31 MARCH 2017

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

Thermal coal markets

Thermal coal prices remained stable during the quarter ended 31 March 2017. The spot API 4 index (basis FOB Richards Bay for 6000 NAR material) remained in a narrow range during the quarter. The API4 index is trading at approximately USD 75 for the remainder of Calendar 2017 at the date of this report. The forward price curve continues to reflect a price decline in the medium-to-long term.

Finance update

The Company had cash and cash equivalents of A\$ 1.608 million at 31 March 2017 (31 December 2016: A\$ 2.147 million).

During the quarter ended 31 March 2017, the Company spent cash on relocation of houses (as a precursor to expected commencement of mining operations), repayment of creditors and general working capital.

Update on status of project implementation

The Company intensified its efforts to bring the “Central opencast” mini pit of the Ntendeka colliery into production with the objective of selling run of mine (“ROM”) coal.

Summary of key events for the quarter:

1. The Company made progress in relocating houses from the central opencast area by constructing alternative accommodation which is substantially complete at the date of this report. However the relocation process continues to take longer than initially expected. The Company has taken appropriate

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

steps to overcome this issue, and is hopeful to start mining during the second half of Calendar Year 2017 subject to completion of the relocations.

2. The Company has shortlisted potential mining contractors for the proposed operations and the preferred mining contractor will be chosen in due course.
3. The Company remains at an advanced stage of concluding off-taker arrangements for the product, which will be aligned with the expected timing of availability of coal for export from South Africa.
4. The overheads and fixed costs of the Company continued to be optimised during the quarter.
5. No further geological or mine planning work was undertaken during the quarter on the remainder of the properties.

Summary

The API index remains in a range which supports the intention of commencing mining and sale of 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 relocations.

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.

For further information contact:

David Pile

Chairman

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.

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 31 March 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, Mpumulanga Province, South Africa	60%	Bokamaso 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 31 March 2017.