



ASX Code: IKW

30 July 2018

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

Update on activities at the mining site and fund raising plans

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

Activities at the mining site

The Newcastle Project (previously the Ntendeka Colliery) mining right, covers 12,182 ha.

It consists of a number of opencast and underground areas each with different access, different land ownership and different community groupings.

Over the life of the mine, each of the opencast and underground areas will be mined separately although they will all share a common infrastructure and central processing facility.

The Kliprand Colliery is the initial opencast area within the Newcastle Project area where mining operations are expected to commence. It is located on the farm Kliprand which is owned by the Company.

Following the appointment of a mining contractor earlier in the year, the contractor has commenced site mobilisation of their staff and mining equipment at the Company's Kliprand Colliery.

The initial opencast mining area has been fenced off and certain mining blocks have been cleared. The removal of the top soil and certain of the soft (free dig) material has commenced together with the construction of safety berms in the mining area.

Drilling and blasting of the "hards" is expected to commence in the coming weeks, which will enable the Company to start coal extraction towards the back-end of the quarter ending 30 September 2018.

The construction of infrastructure, such as workshops, offices, PCD dams and internal roads are also expected to commence in due course.

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

Fund raising plans

The Company is at an advanced stage of finalising its fund-raising plans which is expected to be via a renounceable entitlement issue of approximately A\$6 million.

Ikwezi has received in-principle support for the expected renounceable entitlement issue required to bring the mine into production from one of its shareholders who has indicated that, they are in principle, prepared to underwrite the entitlement issue. A further announcement will follow in this regard.

As a bridging finance measure, the Company has secured a second unsecured loan of ZAR10 million (approximately AU\$ 1 million) from a related party, Osho SA Coal (Pty) Ltd to meet its ongoing financial obligations. The loan will attract an interest rate of 10% p.a. with a repayment date on or before 30 September 2019.

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 Newcastle Project (previously the Ntendeka colliery). The Newcastle Project is located in the KwaZulu-Natal coal fields and are in close proximity to rail and port infrastructure. The Kliprand Colliery, which forms part of the Newcastle Project, is the initial opencast area where mining operations are expected to commence.

For further information contact:

David Pile

Chairman

Tel: +27 87 897 4846

Email: david@ikwezi.co.za

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