



23 November 2018

IKW
MR SAM SAMPLE
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THE SAMPLE HILL
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SAMPLEVILLE VIC 3030

Dear Shareholder

Ikwezi Mining Limited – pro-rata renounceable rights issue

As announced on 21 November 2018 Ikwezi Mining Limited (ARBN 151 258 221) (**Company** or **Ikwezi**) is undertaking a three (3) for one (1) pro rata renounceable rights issue (**Rights Issue** or **Offer**) of approximately 3,048,750,000 fully paid ordinary shares (**New Shares**) to raise approximately \$6,097,500. The price of New Shares under the Offer is \$0.002 each (**Issue Price**). The Company lodged a prospectus for the Offer (Prospectus) with ASIC and ASX on 21 November 2018.

The Offer is fully underwritten by Finevest Investments Limited (a company registered in United Arab Emirates with registration number 205841) (**Underwriter**). The Company must pay the Underwriter an underwriting fee of \$30,000. The Company must also reimburse the Underwriter up to \$5,000 for costs incurred incidental to the Offer.

The funds raised from the Offer are planned to be used towards establishment of opencast mining operations and related infrastructure, corporate and mine overheads, repayment of short term loans, expenses of the Offer and other general working capital requirements.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00 pm (WST) on 27 November 2018, whose registered address is in Australia, New Zealand, Bermuda, the Cayman Islands or the Turks and Caicos Islands.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (Shares) already on issue.

Following completion of the Offer, the Company will have issued approximately 3,048,750,000 New Shares resulting in total Shares on issue of approximately 4,065,000,000.

Ineligible shareholders

A Shareholder who has a registered address outside Australia, New Zealand, Bermuda, the Cayman Islands or the Turks and Caicos Islands (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

The Company has appointed DJ Carmichael Pty Limited (**Nominee**) as nominee to sell the entitlements to subscribe for New Shares pursuant to the Prospectus (**Entitlements**) to which Ineligible Shareholders are entitled. The Nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to Ineligible Shareholders.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the Nominee may sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

There is no guarantee that the Nominee will be able to sell Entitlements of Ineligible Shareholders on ASX and Ineligible Shareholders may receive no value for the Entitlements. Both the Company and the Nominee take no responsibility for the outcome of the sale of such Entitlements or the failure to sell such Entitlements.

If you have any queries concerning the Entitlement Issue, please contact your financial adviser or Alexander Neuling, Ikwezi's Company Secretary, on +61 8 6153 1861.

Yours sincerely

A handwritten signature in black ink, appearing to be 'DP' or similar, with a stylized flourish at the end.

David Pile
Chairman
IKWEZI MINING LIMITED