



# Disclaimer

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## FORWARD-LOOKING STATEMENTS

This document contains statements, opinions and projections, all preliminary in nature, prepared by Ikwezi Mining Limited on the basis of information developed by itself in relation to its Ntendeka Colliery (previously called the Newcastle Project), Dundee project, Assegai project and Acorn coal projects (together the Projects). Such information can be described as at the pre-feasibility stage, due to the limited information provided to date, and may be subject to change. Certain statements, beliefs and opinions contained in this document, particularly those regarding the possible or assumed future performance of Ikwezi Mining Limited and the Projects are or may be forward looking statements. Forward looking statements can be identified by the use of forward looking terminology, including, without limitation, the terms "believes", "estimates", "anticipates", "expects", "predicts", "intends", "plans", "goals", "targets", "aims", "outlook", "guidance", "forecasts", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts. By their nature, forward looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond Ikwezi Mining Limited's ability to control or predict which may cause the actual results or performance of Ikwezi Mining Limited and the Projects to be materially different from the results or performance expressed or implied by such forward-looking statements. Forward looking statements are based on assumptions and are not guarantees or predictions of future performance. No representation is made that any of these statements or projections will come to pass or that any forecast result will be achieved, nor as to their accuracy, completeness or correctness. Similarly, no representation is given that the assumptions upon which forward looking statements may be based are reasonable. Forward looking statements speak only as at the date of this document and Ikwezi Mining Limited disclaims any obligations or undertakings to release any update of, or revisions to, any forward-looking statements in this document.

## INFRASTRUCTURE DISCLAIMER

This presentation makes reference to infrastructure capacity. This does not however mean that the Ntendeka Colliery will produce coal at or up to this capacity. The level of our potential coal production, and our ability to produce coal at all, will be dependent on a number of factors, including the raising of additional debt facilities / funding to bring it into production, obtaining any additional licenses or requirements from the relevant Authorities, obtaining access to the infrastructure required to commence mining operations, transport, port capacity and sale of our coal products, including mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors that may impact the ability of the operations to produce coal.

## GEOLOGICAL ATTRIBUTION

Technical information in this presentation that relates to the Ntendeka Colliery and the Assegai Project has been reviewed by Mr Rinaldo Anthony, an Executive Director of the Company. Mr Anthony has more than 12 years of experience in the South African coal industry, holds a B.Sc. Hons. (Geology) degree from the University of Natal and is an active member of the Geological Society of South Africa. The Geological Society of South Africa is a "Recognised Overseas Professional Organisation" ('ROPO') and is included in the list of ROPOs promulgated by the ASX. All work related to mine planning, design and reserve determination for the Ntendeka Colliery (Newcastle Project) was conducted by independent contractors, with sufficient qualifications, experience and knowledge, to meet the requirements of a Competent Person, and was collectively supervised and approved by Mr Anthony.

The Assegai Project and Dundee Project targets are conceptual in nature. There has been insufficient exploration to define a mineral resource under JORC guidelines and it is uncertain whether further exploration will result in the determination of a mineral resource. This conceptual target may or may not be outlined with future work, whether in whole or in part. Mr Anthony consents to the inclusion of the technical information in the presentation in the form and context in which it appears.

Mr Anthony has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Anthony consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# Corporate Overview

Emerging thermal coal producer with plans to create a substantial resources company

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## Corporate Objectives

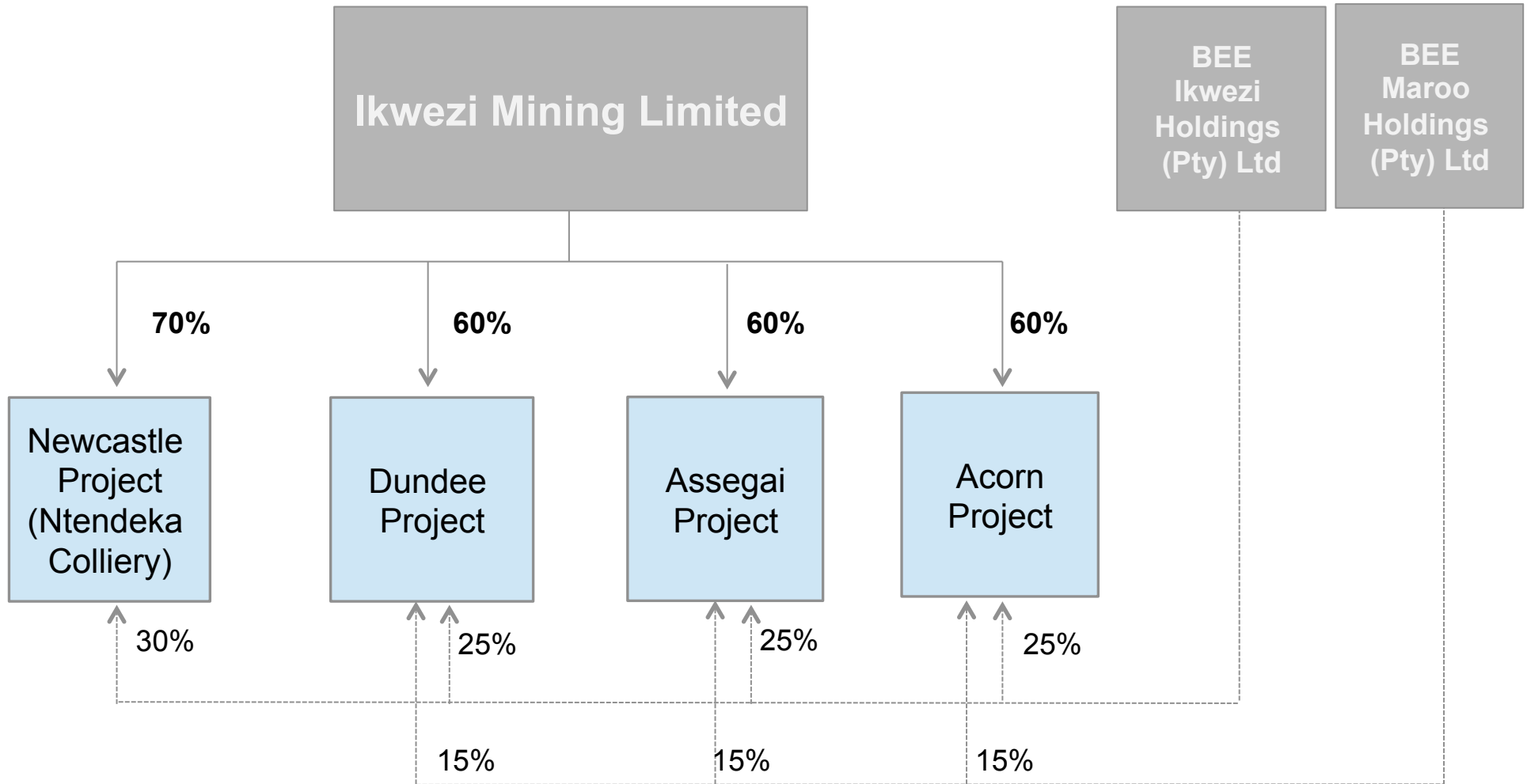
- Leverage our expertise in mine development, logistics and new project generation
- Bring the Ntendeka Colliery into production during 2015
- Utilise our strong relationships with logistics and infrastructure providers to expand production
- Maximise the value of our existing “blue sky” projects
- Build long term scale through developing existing projects and through selective acquisitions and joint ventures

## Capitalisation Summary

Shares on issue	338.8m
Market capitalisation @ \$0.01	\$3.39m
Cash (30 June 2014)	\$0.82m

# Corporate Overview

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# Seaborne Thermal Coal Market

## South Africa ideally positioned to deliver into Asia Pacific market

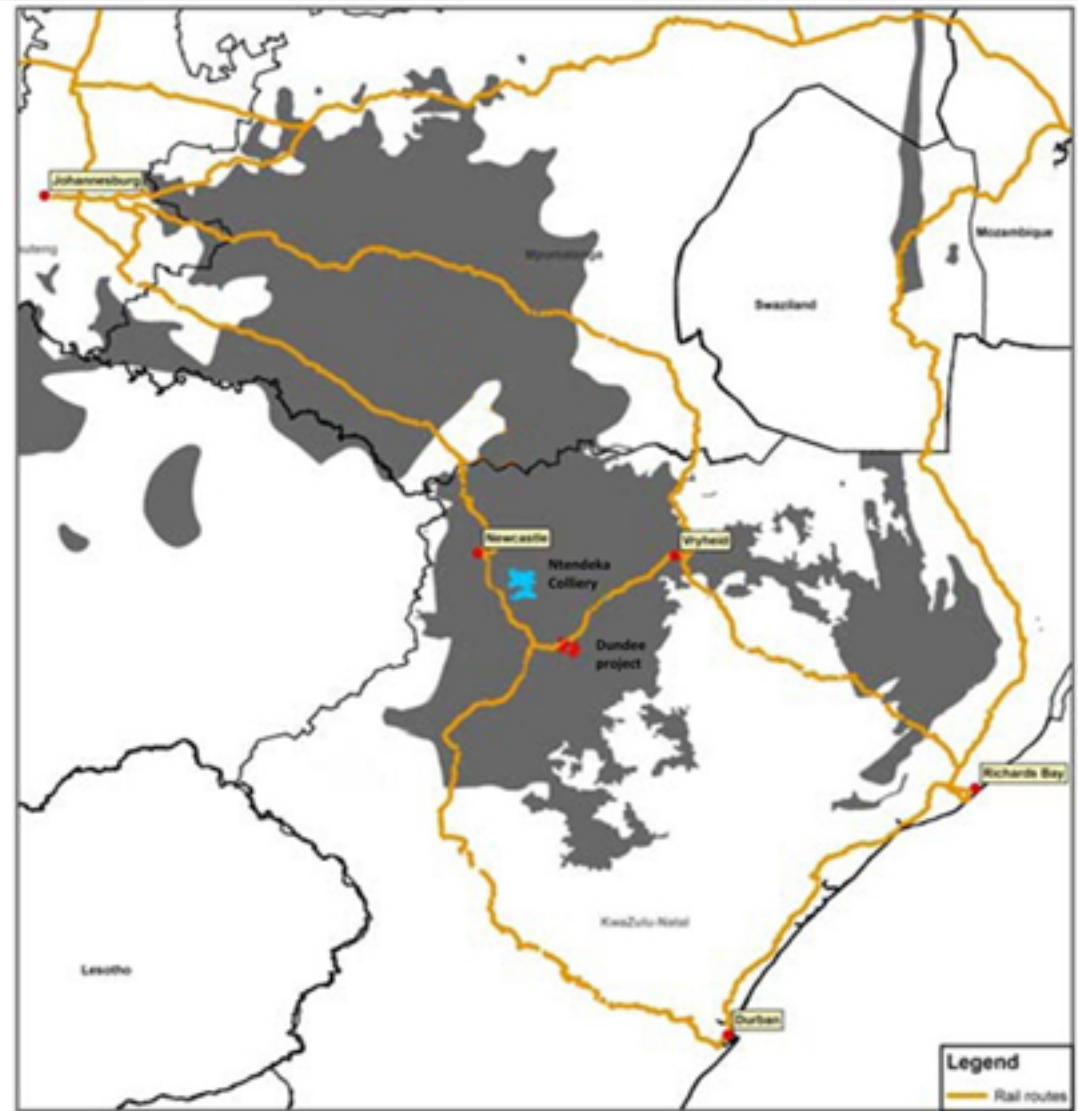
- Continued thermal coal market weakness due to the excess supply of thermal coal globally compounded by decreasing oil and gas prices.
- Thermal coal production rationalisation continues but is yet to have a material impact on supply / demand or prices.
- Market has seen a slower than expected reduction in thermal coal supply as mines lower production costs and improve efficiencies assisted by a weakening AUD and ZAR vs. USD has resulted in a slower reduction in production volumes
- A number of mine extensions / new projects have been delayed / cancelled which will assist in the medium term to bring the supply / demand balance into line
- Long term take or pay contracts, especially with regard to logistical arrangements for a number of mines, has resulted in it being cheaper for them to continue operating at a loss rather than reducing production levels / closing operations.
- The Company believes that the mid-term outlook is positive for thermal coal as the continued reduction of investment and production capacity in the sector brings it back into balance.
- China now a large net importer of coal (net exporter as recently 2008)
- India expected require >100Mt of imported coal
- Seaborne thermal coal demand within Pacific will need to grow by an estimated 40Mt by 2025
- Supply growth constrained by infrastructure, escalating capital costs and diminishing coal quality



# Ntendeka Colliery (Newcastle Project)

Strategically located to access export and domestic markets

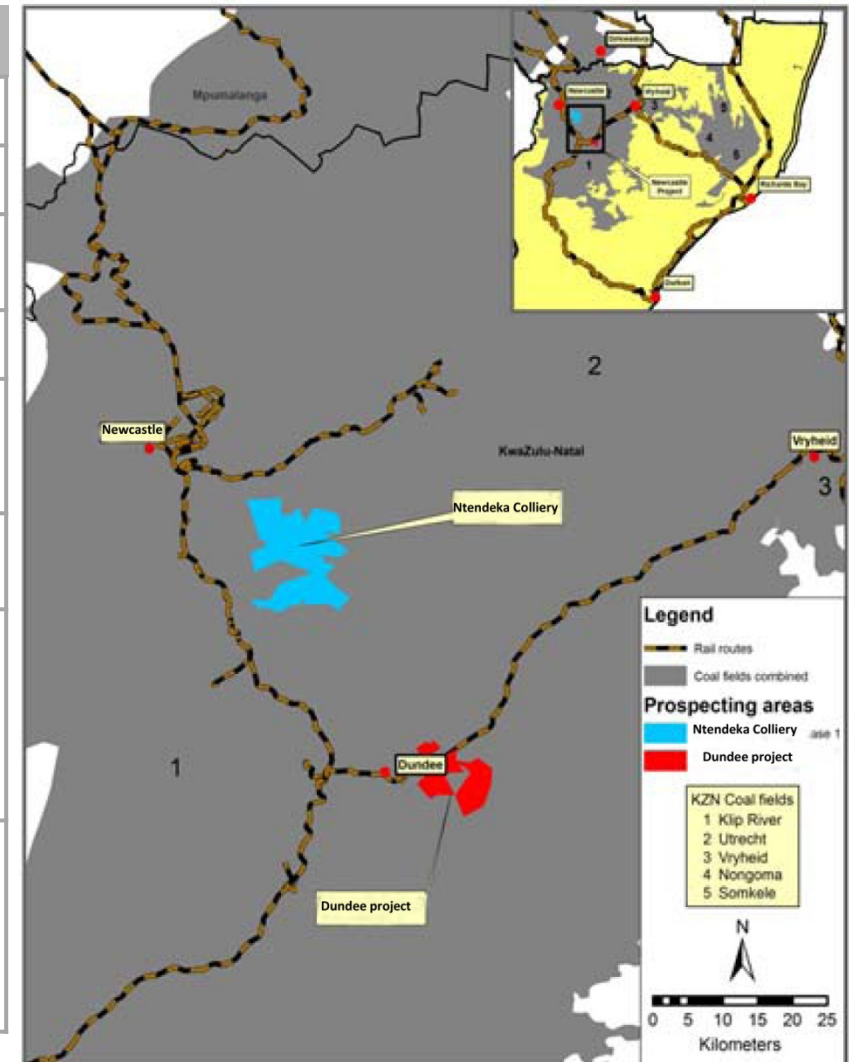
- Klip River coalfield in KwaZulu Natal
- Not constrained by rail capacity
- Retains flexibility to export via Ports of Durban or Richards Bay
- Shorter rail distance to ports
- Possibility to truck to ports
- Large resource base with a platform to expand and consolidate other operations within KwaZulu Natal



# Ntendeka Colliery

## Near term production - under development

Project Overview	
Ownership	• 70% <sup>1</sup>
Location	• Northern KwaZulu Natal
Tenure	• Mining Right , Integrated Water Use License and approval under National Environmental Management Act granted.
Size	• 12,182 ha
Resource Reserves	<ul style="list-style-type: none"> <li>• JORC Resource 294 Mt</li> <li>• Reserves in process of being remodelled in line with lower thermal coal pricing environment</li> </ul>
Production	• Planning an initial start-up production rate of 0.6Mtpa with ramp up to 1.2Mtpa run of mine coal (ROM)
Product	<ul style="list-style-type: none"> <li>• Run of mine (ROM) coal</li> <li>• Ability to produce export grade thermal and sized coal should markets allow</li> <li>• Generally has elevated sulphur levels and slightly lower volatiles, but a high CV</li> </ul>
Logistics & Infrastructure	<ul style="list-style-type: none"> <li>• Rail contract signed with Transnet Freight Rail</li> <li>• Coal wash plant dry commissioned with options being evaluated to toll wash coal for third parties.</li> <li>• Export capacity at Ports of Durban &amp; Richards Bay currently available but needs to be contracted</li> </ul>



Note 1: Ikwezi is funding 100% of the Ntendeka Colliery's development costs. The BEE share of these costs will be recouped from future profits of the Ntendeka Colliery.

# Ntendeka Colliery

## Project Status Update

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- Mining Right + Integrated Water Use License + approval under the National Environmental Management Act (NEMA) granted
- EIA for the Ikwezi Siding has been approved
- Coal Wash Plant complete and dry commissioned
- Haul road upgrade linking wash plant to siding complete
- Major on site power infrastructure complete
- Alternate siding available as an interim solution
- Port allocation is currently available but will need to be contracted
- Initial production and sale of run of mine (ROM) coal planned commencing at 0.6MTpa and ramping up to 1.2Mtpa.
- Optionality exists to wash coal for the sized coal market or as an export grade product should market pricing improve
- Resource of 294Mt. Reserves are currently in the process of being remodelled in line with new target markets and decline in the thermal coal markets pricing



# Ntendeka Colliery

## Project Status Update

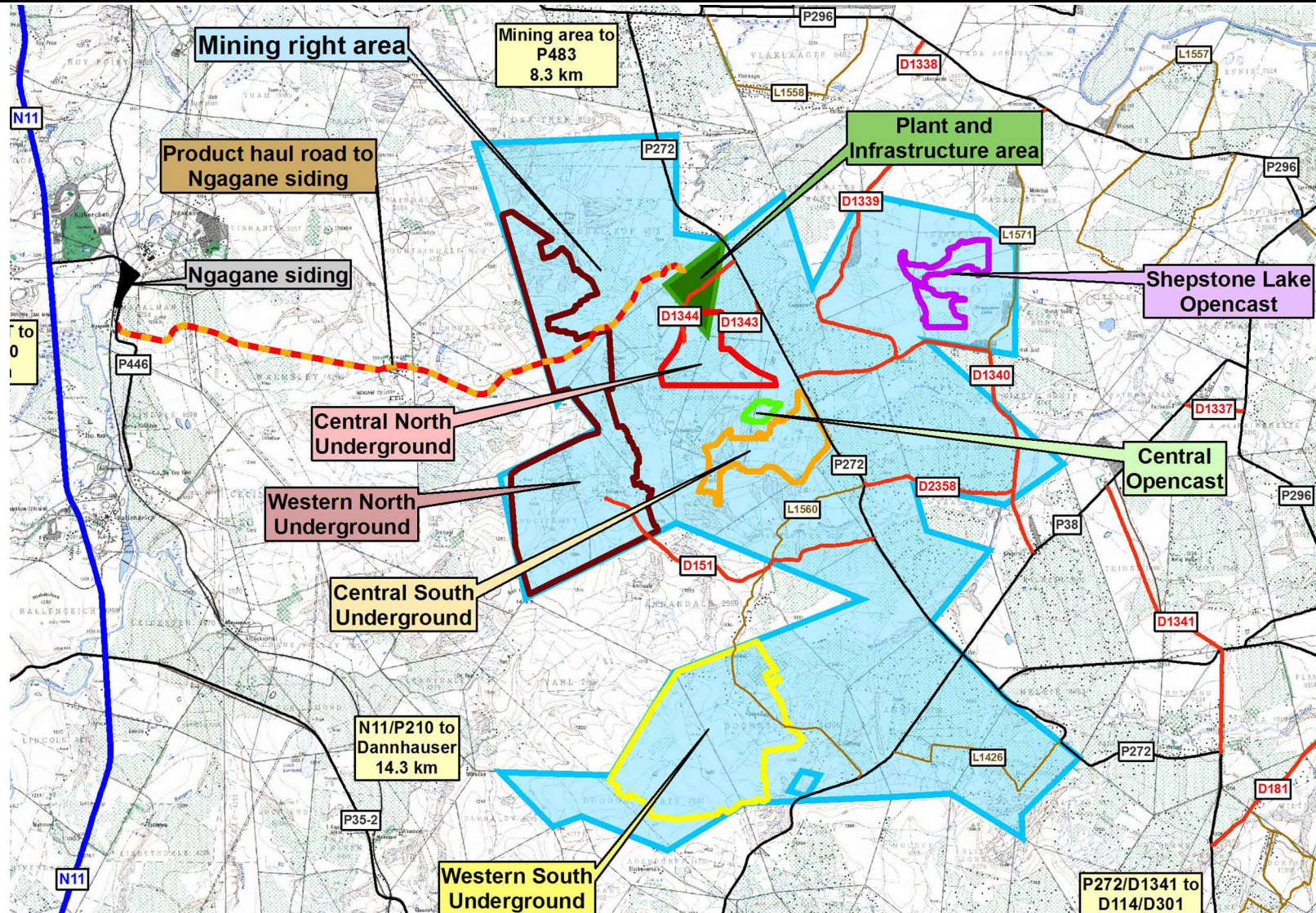
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### Company Finances

- Expect to be able to bring the mine into production with first coal sales within approx. 3 months from decision to commence mining and requisite funding for this put in place.
- Company's focus is on a low capex mining start up and the selling of ROM coal which reduces both operational risk and funding requirements and is expected to generate a margin in the current market.
- The Company will need to raise additional funding to bring it into production.
- Discussions with various off takers of the ROM coal continue and will be finalised in line with the requisite funding arrangements being put in place by the Company and the decision to commence mining.
- Volatility in thermal coal markets increases risk to Company and shareholders if finance facilities used to fund start up. As a result, the Company is investigating all options available to it including the sale of certain assets that are non-core to its operations and possible equity raisings in the form of a placement / rights issue.
- Additional options exist to use the coal wash plant to wash third party coal for both the domestic and export market. These continue to be investigated.
- Capex required to bring the mine into operation producing ROM coal relates primarily to the initial box cut and related infrastructure, improving access roads to the opencast area together with site offices, laboratory facilities, weighbridges etc. and working capital.
- Remaining capex required to bring the coal wash plant into production relates to installation of the water supply and treatment system including balance of storage dams, pollution control dams, discard dump, other related infrastructure and working capital.

# Ntendeka Colliery

## Local Infrastructure and overall mine plan layout





# Ntendeka Colliery

Ntendeka coal wash plant and haul road to Ngagane Siding <sup>1</sup>

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The wash plant has been dry commissioned.

# Ntendeka Colliery

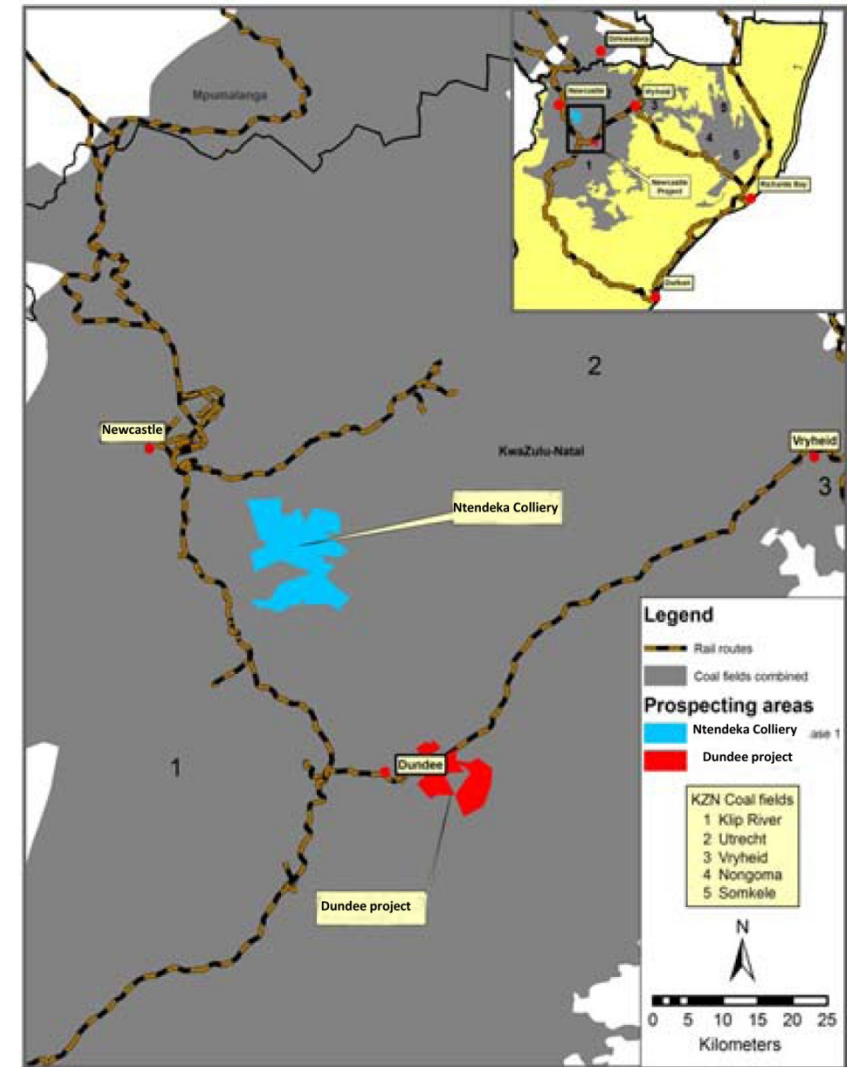
## Haul Road to Ngagane Siding upgrade and culvert rehabilitation completed





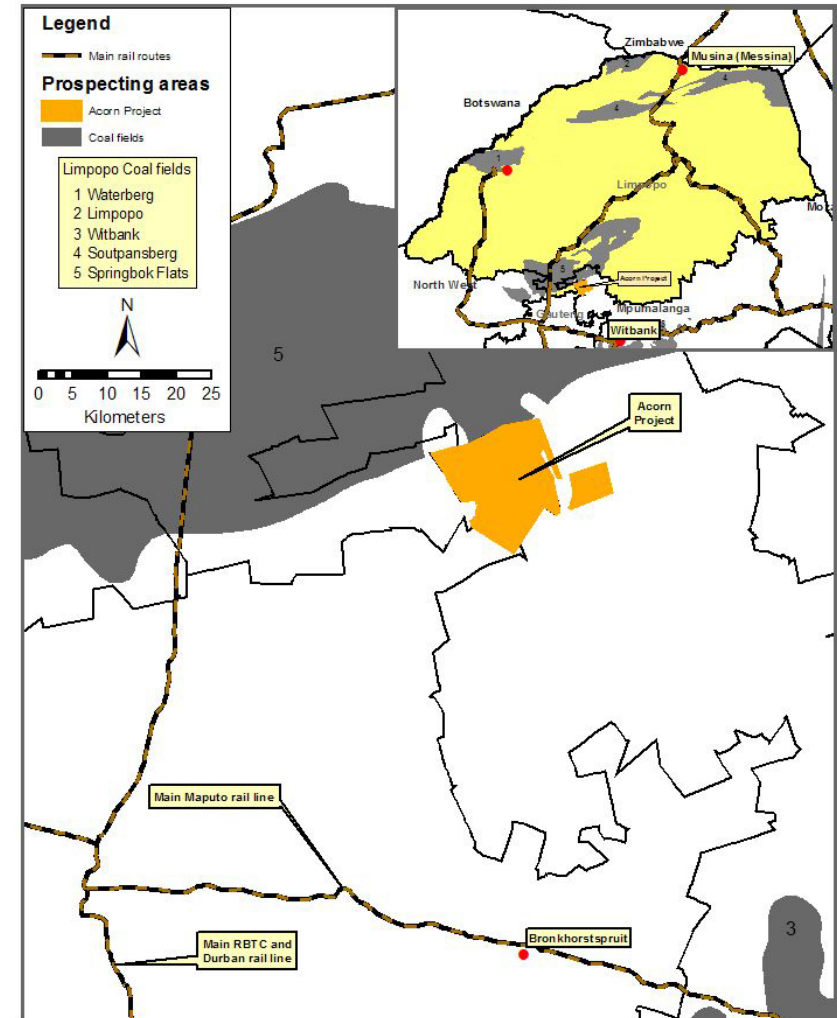
# Dundee Project

Project Overview	
Ownership	• 60%
Location	• Northern KwaZulu Natal
Tenure	• Prospecting Right
Size	• 4,664 ha
Resource	• Exploration potential
Product	<ul style="list-style-type: none"> <li>• Export grade thermal coal</li> <li>• Lean coal</li> <li>• Anthracite</li> </ul>
Project Highlights	<ul style="list-style-type: none"> <li>• Area well known to management</li> <li>• Expect to demonstrate good quality, low phosphorous coal</li> <li>• Proximity to rail sidings with capacity</li> <li>• Dundee project expected to add to this</li> </ul>
Exploration	• Exploration program commenced



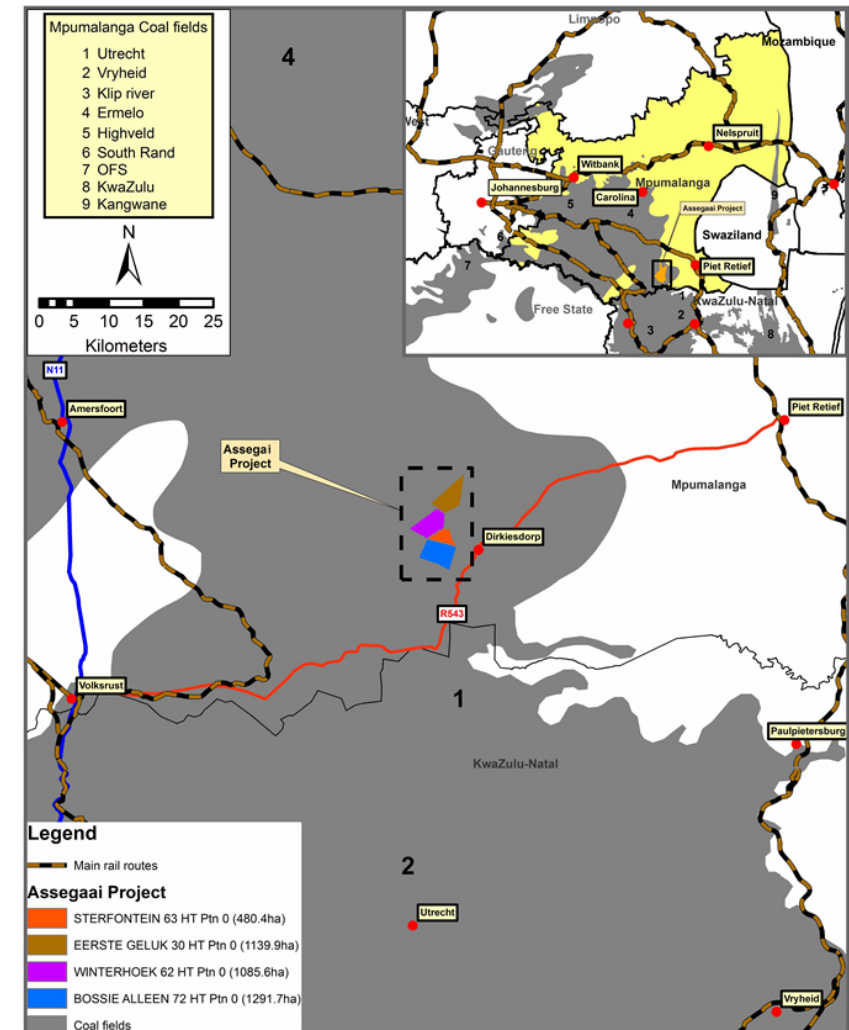
# Acorn Project

Project Overview	
Ikwezi ownership	• 60%
Location	• Gauteng Province
Tenure	• Prospecting Right
Size	• 20,758 ha
Resource	• Exploration potential
Product	• Thermal coal
Project Highlights	<ul style="list-style-type: none"> <li>• Coal fields in region show similar characteristics to Waterberg</li> <li>• Utilities (e.g. Eskom) planning to increase activities in region</li> <li>• Potential to unlock significant value if infrastructure becomes available</li> </ul>
Exploration	• Initial program commenced



# Assegai Project

Project Overview	
Ikwezi ownership	• 60%
Location	• Mpumalanga Province
Tenure	• Prospecting Right
Size	• 3,998 Ha
Resource	• Exploration potential
Product	• Thermal coal
Project Highlights	<ul style="list-style-type: none"> <li>• Number of existing operations in area with known coal qualities and logistics in place</li> <li>• Expected to be a complementary operation to Ikwezi's Ntendeka colliery from a blending perspective</li> </ul>
Exploration	• Initial program commenced



# Investment Highlights

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✓ Experienced Board & Management team

✓ Ntendeka Colliery offers near term production and expansion potential

✓ Strategically located to access key export and domestic markets

✓ Infrastructure and logistics at an advanced stage

✓ Good project pipeline and ability to add substantially to this





## CONTACT DETAILS

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