



ANNUAL REPORT **2015**

THE STAR

Ikwezi Mining Ltd derives its heritage and name from the isiZulu word “**ikwezi**” which translates to “**morning star**” or “**rising star**”.

www.ikwezimining.com

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OUR MISSION:

To establish the Company as an international mid-tier coal producer with a diversified operational base and product range, focusing on the thermal, anthracite, coking and metallurgical coal markets that will:

- Maximise stakeholder value by developing our existing core assets as safe and environmentally responsible entities, which benefit the communities in which we operate; and
- Provide secure and sustainable employment opportunities, empowerment for local economic development initiatives and support to community improvement efforts in the region through focus on the export, domestic and high margin specialised coal markets that will allow us to expand this strategy, and diversify into other markets and commodities that will ensure the long-term success of the Company

COMPANY OVERVIEW

Ikwezi Mining is a resource exploration and development company aiming to create shareholder value through the acquisition, exploration and development of coal projects in South Africa. Our Group is focused on advancing the development of three coal projects in the KwaZulu-Natal and Mpumalanga provinces of South Africa.

We hold prospecting rights and majority interests in these projects, the most advanced of these being our 70 percent held Newcastle Project (Ntendeka Colliery). Our mining right for this particular project (Newcastle Phase 1) was granted in February 2012. Development of this particular project is well underway along with a Mining Right, Integrated Water Use License, Waste management Licence (NEMWA) and Environmental approval (NEMA) obtained for the project. We have other earlier stage exploration projects in the form of our 60 percent owned Assegai and Acorn projects.

Over the longer term, we propose to realise the full potential of all of the projects to provide us with the foundation from which we can seek to expand production and create further shareholder value through the acquisition, exploration and development of coal projects in South Africa.



Ntendeka Colliery – coal wash plant



One of the bridges constructed by Ikwezi on the main haul road from the Ntendeka Colliery wash plant to the Ngagane siding



Construction of main haul road to siding at Ntendeka Colliery

MAP OF OPERATIONS



CHAIRMAN'S REPORT

OPERATING ENVIRONMENT

The thermal coal operating environment remains difficult with continued oversupply in most markets. Thermal coal prices in US Dollar terms have declined over the previous year with the Richards Bay API4 index in the USD50 range. Whilst production rationalisation continues, this has been a lot slower than expected. This has created challenges and delays in bringing Ikwezi's Ntendeka colliery into production. The downturn in the commodity market has however created opportunities for the Company. The decline in the commodity prices generally has also put pressure on mining contractor prices with excess mining and construction equipment available. This has reduced the required capital to complete the balance of construction required by the Company together with expected contract mining rates. This has been further assisted by the decline in the South African Rand versus the US Dollar, revisions to the mine plans and operational structure cost structure of the operations and Company.

On-site activities during the year were focused on continued development work at the Company's Ntendeka Colliery together with finalising different operational plans and products to meet the current market conditions. Good progress was made in this regard with additional mining areas identified and drilled together with revisions to the coal wash plant operational structure to improve efficiencies.

Following the fully under-written Renounceable Rights Issue undertaken by the Company in December 2014, (which raised \$4.065m before costs), the Company remains in a stable financial position.

WELL POSITIONED

The Company remains well positioned to bring its Ntendeka Colliery into production with all requisite licensing in place, its coal wash plant completed together with related infrastructure. The installation of the water supply system to the plant together with the completion of the discard footprint and completion of the pollution control dams remain to bring the plant into operation.

Opportunities also exist to export unwashed Run of Mine (ROM) coal.

The mine is expected to have a life in excess of 30 years producing approximately 1.25Mtpa of saleable coal.

INVESTING IN OUR PEOPLE AND COMMUNITY

The support of the people and the communities in which we operate is critical to the success of our operations. We have been working closely with the representatives of these communities and the local authorities to assist where possible in developing programs to assist in the upliftment of these areas to the extent possible.

To date, Ikwezi has spent approximately ZAR30 million in conjunction with local authorities, including the Department of Transport, to upgrade and maintain roads and river crossings in the area.

Our people are fundamental to the success of our operation. Under

our policies we look to source all labour and service providers locally to the extent that they are commercially competitive. This is expanded geographically only if suitable candidates and services are unavailable. The Company has been working with the various local authorities to build up the supplier base and required skill sets in the area to meet all of Ikwezi's human resource requirements.

We fully support the South African government's transformation efforts, with our black economic empowerment (BEE) partners not only having a significant stake in our business, but also forming an integral part of our management team. With a BEE shareholding of 30 percent in the Ntendeka Colliery and 40 percent in our Acorn and Assegai prospecting rights, we have exceeded the targets set out in the Mining Charter which requires mining companies to obtain 26 percent BEE ownership by 2014.

GOVERNANCE

We remain committed to operating in a transparent and accountable manner and, at Board level, subscribe to the highest levels of good governance. Our Board charter recognises management's duties and responsibilities to employees, customers, communities as well as other stakeholders.

We are fully committed to the principles of transparency, integrity and accountability. The primary responsibility for good Corporate Governance rests with the Board and its Chairman. The Board is satisfied that the committees set out in detail later in this report have effectively discharged their duties and responsibilities.

OUTLOOK

The structural revisions to the mines operational plans has gone a long way to reduce its operational costs structure and capital requirements and allow it to compete in the current, difficult thermal coal market. The colliery has one of the largest remaining undeveloped coal resources in South Africa with easy access to both rail and port.

ACKNOWLEDGEMENTS

I would like to thank the Board for their continued support during a difficult year. Their dedication and contribution to building a solid foundation for the Company will assist going forward. My appreciation also extends to our stakeholders, including shareholders, for their continued commitment.

For and behalf of the Board



David Pile
Chairman



IKWEZI MINING LIMITED
ARBN 151 258 221

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

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30 June 2015

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Directors' Report

30 June 2015

The directors of Ikwezi Mining Limited (**Directors**) present their report on the Consolidated Entity consisting of Ikwezi Mining Limited (the **Company** or **Ikwezi**) and the entities it controlled at the end of, or during, the year ended 30 June 2015 (**Consolidated Entity** or **Group**).

DIRECTORS

The following persons were directors of Ikwezi during the financial year or up to the date of this report:

Mr David Pile	<i>Executive Chairman</i>
Mr Ranaldo Anthony	<i>Executive Director</i>
Mr Alex Neuling	<i>Non-executive Director (appointed 27 June 2014, resigned 29 May 2015), Company Secretary</i>
Mr Alok Joshi	<i>Non-executive Director (appointed 29 May 2015)</i>
Mr Tushar Agrawal	<i>Non-executive Director (appointed 29 May 2015)</i>

INFORMATION ABOUT DIRECTORS

Current Directors

Mr David Pile – Executive Chairman

David is a Chartered Accountant (registered in South Africa) with comprehensive experience across a number of industries in Sub-Saharan Africa, South East Asia and Australia. Most recently, he was Chief Financial Officer of Minara Resources, an ASX listed mining company, and prior to that the Chief Financial Officer of Ingwe Collieries, BHP Billiton's South African energy coal operations, where he was also a director of the Richards Bay Coal Terminal.

David was appointed as the Executive Chairman following the resignation of Simon Hewetson on 27 June 2014. Prior to this, he held the position of Managing Director.

Special responsibilities:

Chairman of the Risk Committee

Chairman of the Audit Committee

Member of the Remuneration and Nomination Committee

Current Directorships and Former Directorships (last 3 years) of listed public companies:

None

Mr Ranaldo Anthony - Executive Director

Ranaldo is a registered South African geologist and a member of the Geological Society of South Africa. Ranaldo previously worked for BHP Billiton in the mineral resource department of the Energy Coal Division, where he was responsible for the reporting of global energy coal reserves and resources. Most recently, Ranaldo was Deputy Chief Executive Officer of Nucoal South Africa.

Special responsibilities:

Member of the Audit Committee

Member of the Risk Committee

Member of the Remuneration and Nomination Committee

Current Directorships and Former Directorships (last 3 years) of listed public companies:

None

Directors' Report

30 June 2015

Mr Tushar Agrawal - Non-Executive Director

Tushar has extensive experience in both international and South African coal markets with entrepreneurial involvement in the exploration, mining, trading, beneficiation, shipping and logistics of coal. He has been responsible for developing substantial, export-based coal operations in South Africa and has hands-on operational and commercial experience. Tushar has a business administration degree from HR college, Mumbai.

Special responsibilities:

Member of the Audit Committee

Member of the Risk Committee

Member of the Remuneration and Nomination Committee

Current Directorships and Former Directorships (last 3 years) of listed public companies:

None

Mr Alok Joshi - Non-Executive Director

Alok has two decades of experience in M&A and corporate finance, business development, corporate restructuring, transaction services and audits, built across a range of industry segments and geographies. Alok graduated from Sydenham College, Mumbai and is a Chartered Accountant.

Special responsibilities:

Member of the Audit Committee

Member of the Risk Committee

Member of the Remuneration and Nomination Committee

Current Directorships and Former Directorships (last 3 years) of listed public companies:

ZYL Limited (appointed 6 September 2013, resigned 16 April 2014)

Former Directors

Mr Alex Neuling – Company Secretary

Alex Neuling is a Chartered Accountant and Chartered Secretary with over 10 years corporate and financial experience including six years as director, chief financial officer and or company secretary of various ASX-listed companies in the mining, mineral exploration, oil and gas and other sectors.

Prior to those roles, Alex worked at Deloitte in London and Perth. Alex also holds an honours degree in Chemistry from the University of Leeds in the United Kingdom and is principal of Erasmus Consulting Pty Ltd (Erasmus), which provides company secretarial and financial management consultancy services, to a variety of ASX-listed and other companies.

Special responsibilities:

Member of the Audit Committee

Member of the Risk Committee

Member of the Remuneration and Nomination Committee

Current Directorships and Former Directorships (last 3 years) of listed public companies:

Mozambi Coal Limited (2008 – 2014)

Directors' Report

30 June 2015

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was coal exploration and development.

DIVIDENDS

No dividends have been declared, provided for, or paid in respect of the financial year ended 30 June 2015 (2014: Nil).

FORWARD-LOOKING STATEMENTS

This document contains reference to certain intentions, expectations, estimates, future plans, strategy and prospects of the Group. 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 Group may be influenced by a number of factors, many of which are outside the control of the Group. No representation or warranty, express or implied, is made by the Group 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 Group's actual future results, performance or achievements to be materially different from those expected, planned or intended, readers of this document should not place undue reliance on these intentions, expectations, future plans, strategy and prospects.

SUMMARY REVIEW OF OPERATIONS

Financial performance highlights

For the financial year ended 30 June 2015 the Group recorded a loss of \$11,158,558 (2014: loss \$1,029,583) and a net cash outflow from operations of \$868,832 (2014: \$248,607).

Impairment of exploration and evaluation expenditure

The majority of the loss is attributable to impairment of the carrying value of all exploration and evaluation expenditure made to date of \$9,858,799 (2014: \$0) in line with the price declines seen in the API4 Richards Bay thermal coal price index. The work done in these areas has helped define the current resources, mine and operational plans which will support the Company's operations going forward.

Foreign exchange losses on currency translation

The depreciation of the South African Rand vs the Australian Dollar and the Australian Dollar versus the United States Dollar resulted in an exchange loss on translation of \$386,159 (2014: \$1,386,811).

Directors' Report

30 June 2015

Key activities during the year

Rights issue

The Company announced a Renounceable Rights Issue (Entitlement Issue) in December 2014 under which eligible shareholders were entitled to 2 new fully paid shares for everyone 1 share held to raise a total of \$4.065 million (before expenses) at \$0.006 per share.

The Entitlement Issue was fully underwritten by Azure Projects Ltd.

A total of 335,799,632 ordinary shares were issued to raise \$2,014,798 before costs with a further 341,700,368 ordinary shares issued to the underwriter of the rights issue to raise a further \$2,050,202 before costs.

Continued development work at Ntendeka site

On-site activities were focused on continued development work at the Company's Ntendeka Colliery together with finalising different operational plans and products to meet the current market conditions. The majority of expenditure incurred by the operations during the year under review related to costs associated with coal exploration and development activities.

A further exploration drilling program was undertaken during the year. This was aimed at better defining and improving the geological confidence of the additional lower strip ratio opencast areas to enable the development of a feasible mine schedule given the current thermal coal market. A total of 47 boreholes were drilled during the financial year totalling 1,868 meters with the full geological analysis and modelling of these together with the balance of the drilling program post year end. The completion of this program is expected to add additional flexibility to the Company's production plan enabling it to have a greater range of products to target certain niche markets together with streamlining and improving the overall profitability of the mining operation.

Assessment of other prospecting rights

The Company has reviewed whether it is worth continuing exploration on its Dundee, Springbok Flats and Assegai projects given the current state of the coal market, the need to conserve cash together with the extended timeframe and costs involved to obtain the requisite licensing to mine in South Africa. The directors are of the view that current resources are better spent on bringing the Ntendeka colliery into production.

The Dundee prospecting right, in specific has been complicated through the inability of the Company to gain access to the relevant properties due to land holders barring access. This is as yet unresolved by the Department of Mineral Affairs (DMR). Whilst letters in this regard have been submitted to the DMR, it is unlikely that this Prospecting Right will be extended.

Coal wash plant

The coal wash plant has been completed and dry commissioned together with the road to the siding and the various bridges rehabilitated. Some additional grading will be required on these roads prior to the start of production. The coal wash plant has a current monthly design capacity of 170,000 tons ROM per month, expandable to 340,000 tons ROM with the addition of a second module. The primary and secondary crushers that have been installed are designed to process approximately 400,000 tons ROM per month.

Bringing the wash plant into production will allow for more consistent product quality and a greater product range but does require additional capital versus the option of exporting Run of Mine coal (ROM). To bring the coal wash plant into production requires completion of some civil works around the plant area including the discard foot print, the completion of the pollution control dams together with the installation of the power infrastructure and water supply systems.

Directors' Report

30 June 2015

Access to railway siding

A siding, approximately one kilometre from the proposed Ikwezi Ngagane siding, is expected to be available for use by the Company in the interim. (This reduces the initial capital required to reinstate the siding on the Ikwezi site). Rail and port capacity is currently available for coal exports given the current depressed export commodity prices, which has reduced export volumes across a range of commodities.

Water and power arrangements

Additional, different options regarding the water and power supply are in the process of being investigated and finalised which are expected to further reduce the capital requirements and operating costs. We have seen a reduction in contractor rates largely driven by the amount of excess machinery and equipment available which will also assist in reducing the initial capital requirements – substantially in some areas, together with expected improvements in mining rates.

Operations costs rationalisation

Operational costs remain at a minimum and are continually rationalised where possible with contractors and consultants used for specific areas. In addition, the Chairman and Executive Director, Mr Pile and Mr Anthony have agreed to forego their salaries from April 2015 onwards, to assist the Company in this regard. This will be re-evaluated during the next financial year.

International thermal coal prices remained suppressed during the year

Thermal coal market prices continued to decline over the year due to supply overhang. Whilst some production rationalisation has occurred, this has been insufficient to remove the supply demand in-balance.

The continued market volatility has resulted in a number of large multi-national coal companies targeting the niche lower grade coal markets, which were not their priority markets for the last few years. This has resulted, to some degree, in a moving target in terms of target markets. Numerous mines have also adjusted their mining operations to target lower cost coal areas, which, in many cases is not sustainable.

The depreciation of the currencies of the major coal exporting regions versus the US Dollar has offset a large portion of the decline in the coal price. A combination of this currency depreciation with the cost of exiting current take or pay arrangements, reduced operational costs on the back of crude oil price erosion, reduced / subsidised rail and port costs in a number of regions, and reduced contractor rates has delayed the expected supply rationalisation to bring the market back into balance.

Commencement of operations

From an operational perspective, the Company remains in a position to commence mining activities within 3 months from date that the decision to start mining is made with the relevant regulatory approvals in place to allow for this. The initial focus will be on export of ROM (Run of mine) coal which would be mined, crushed, screened and exported; and/or an alternate option of bringing the wash plant into operation and selling washed product locally and onto the export market, dependent on market conditions.

Directors' Report

30 June 2015

Other

Mr Tushar Agrawal and Mr Alok Joshi joined the Board at the end of May 2015. They bring with them extensive experience in operating in the South African coal (and other) environments. This combined with their knowledge of the export markets in which they currently operate and trade will assist greatly in bringing Ikwezi's Ntendeka operation into production.

With the appointment of Mr Agrawal and Mr Joshi, Mr Alexander Neuling stepped down from the Board but remains as the Company Secretary. We would like to thank him for his contribution to the Board and his continued contribution as Company Secretary.

Further we would like to thank our shareholders for their continued support of the Company and in specific, the support shown with the Entitlement Issue given the current difficult market conditions

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes in the state of affairs of the Group occurred during the financial year and to the date of this report other than as referred to in the Summary Review of Operations.

POST REPORTING DATE EVENTS

There has not been any matter or circumstance occurring subsequent to the end of the financial year to be reported.

FUTURE DEVELOPMENTS

The Company continues to seek and evaluate new opportunities as well as looking into consolidation opportunities. Given the current depressed market conditions, the main focus however remains on optimising costs and bringing into production the Ntendeka project.

ENVIRONMENTAL REGULATION

The Group's environmental obligations are regulated under South African laws. The Group has a policy of exceeding or at least complying with its environmental performance obligations.

During the financial year, the Group did not materially breach any particular or significant South African law.

Directors' Report

30 June 2015

DIRECTORS' SHAREHOLDINGS

At the date of this report the interests of the Directors in shares and options of Ikwezi were as follows:

	Number of fully paid ordinary shares	Number of share options
Mr. David Pile (i)	727,859,118	-
Mr. Ranaldo Anthony	-	-
Mr. Alok Joshi	-	-
Mr. Tushar Agrawal (ii)	746,360,694	-

- (i) *Mr David Pile has an indirect minority beneficial interest in 386,158,750 shares of the Company and a notifiable interest in a further 341,700,368 shares due to the ability of Belvedere Mining Holdings (in which Mr Pile as an indirect minority beneficial interest), to influence the voting of these shares.*
- (ii) *Mr Tushar Agrawal has an indirect minority beneficial interest in 746,360,694 shares of the Company*

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's directors held during the year ended 30 June 2015, and the number of meetings attended by each director (includes matters decided by circular resolution). No meetings were held by committees prior to 30 June 2015.

Full board meetings	No. eligible to attend	No. attended
Mr David Pile	4	4
Mr Ranaldo Anthony	4	4
Mr Alok Joshi	1	1
Mr Tushar Agrawal	1	1
Mr Alex Neuling	3	3

Audit committee meetings	No. eligible to attend	No. attended
Mr David Pile	4	4
Mr Ranaldo Anthony	4	4
Mr Alok Joshi	1	1
Mr Tushar Agrawal	1	1
Mr Alex Neuling	3	3

SHARE OPTIONS

At the date of this report the Company has no options on issue. No options expired or were exercised during the year.

Directors' Report

30 June 2015

REMUNERATION REPORT

This remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Key management personnel equity holdings
- F Other transactions with key management personnel of the Group

This remuneration report outlines the director and executive remuneration arrangements of the Company and Group. For the purpose of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Details of Directors and Executives

Current Directors

Mr. David Pile	<i>Executive Chairman</i>
Mr. Ranaldo Anthony	<i>Executive director</i>
Mr. Alok Joshi	<i>Non-executive director (appointed 29 May 2015)</i>
Mr. Tushar Agrawal	<i>Non-executive director (appointed 29 May 2015)</i>

Former Directors

Mr. Alex Neuling	<i>Non-executive director (appointed 27 June 2014 resigned 29 May 2015) and Current Company Secretary</i>
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No remuneration was paid to directors of the Group by Group companies other than Ikwezi Mining Limited.

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The objective of the Board, acting in its capacity as remuneration committee, is to ensure that pay and rewards are competitive and appropriate for the results delivered. The remuneration committee charter adopted by the Board aims to align rewards with achievement of strategic objectives and the creation of value for shareholders. The remuneration framework applied provides a mix of fixed and variable pay and a blend of short and long term incentives as appropriate.

Remuneration of executives consists of an un-risked element (base pay) and cash bonuses based on performance in relation to key strategic, non-financial measures linked to drivers of performance in future reporting years. As such, remuneration is not linked to the financial performance of the Company.

Directors' Report

30 June 2015

REMUNERATION REPORT (CONTINUED)

At present the functions of the remuneration committee in relation to the remuneration of the Company's executives (including share and benefit plans) are carried out by the full board. No directors are present at meetings of the board in this function where their own remuneration is being considered. Issues of remuneration are considered annually or otherwise as required.

Non-executive directors

The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at General Meetings and is currently set at \$500,000. The Company's policy is to remunerate non-executive directors at market rates (for comparable companies) for time, commitment and responsibilities. Fees for non-executive directors are not linked to the performance of the Company, however to align directors' interests with shareholders' interests, Directors are encouraged to hold shares in the Company.

In addition to Directors' fees, non-executive Directors are entitled to additional remuneration as compensation for work outside the scope of non-executive directors duties (whether performed in a consulting or part-time employee capacity). Non-executive Directors' fees and payments are reviewed annually by the board.

Retirement benefits and allowances

No retirement benefits or allowances are paid or payable to non-executive directors of the Company other than Superannuation benefits.

Other benefits

No motor vehicle, health insurance or other similar allowances are made available to non-executive directors.

Executives

Base pay

Executives are offered a competitive level of base pay which comprises the fixed (un-risked) component of their pay and rewards. Base pay for senior executives is reviewed annually to ensure market competitiveness. There are no guaranteed base pay increases included in any senior executives' contracts.

Short term incentives

Payment of short term incentives is dependent on the achievement of key performance milestones as determined by the remuneration committee. These milestones require performance in relation to key strategic, non-financial measures linked to drivers of performance in future reporting years.

Short-term bonus payments may be adjusted up or down in line with under or over achievement relative to target performance levels at the discretion of the remuneration committee.

For the period ended 30 June 2015, no short term incentives were paid or payable to Directors or Key Management Personnel of the Company or Group.

Directors' Report

30 June 2015

REMUNERATION REPORT (CONTINUED)

Long term incentives

Long-term performance incentives may comprise of options granted at the discretion of the remuneration committee in order to align the objectives of directors with shareholders and the Company (refer section D for further information). No options were issued to Directors in the current or prior period.

Directors' Report

30 June 2015

REMUNERATION REPORT (CONTINUED)

B. DETAILS OF REMUNERATION

Amounts of remuneration

Details of the remuneration of the Directors and Executive Officers of Ikwezi Mining Limited and the Group are set out in the following table.

Salaries for Mr David Pile and Mr Ranaldo Anthony are not due under their contracts with the Company effective from April 2015 onwards (and they have agreed to forego these) in an effort to assist the Company during this difficult period. Accordingly no accrual for salaries to these directors has been made from 30 April 2015. This decision will be re-evaluated during the next financial year. Included in trade and other payables as at 30 June 2015 are salaries due to Mr David Pile (\$511,454) and Mr Ranaldo Anthony (\$428,061) for the period to 30 April 2015.

	Short-term employee benefits	Post-employment benefits	
	Cash salary and fees	Superannuation	Total
2015	\$	\$	\$
<i>Non-executive directors</i>			
Mr Alex Neuling ¹	20,830	-	20,830
Mr Alok Joshi	-	-	-
Mr Tushar Agrawal	-	-	-
<i>Executive directors</i>			
Mr David Pile ²	238,904	22,154	261,058
Mr Ranaldo Anthony ³	209,040	19,396	228,436
Total	468,774	41,550	510,324

1. Mr Alex Neuling is entitled to receive \$20,830 for director fees and \$42,353 for Company Secretarial and Accounting services, not related to his role as a director, provided by an affiliated entity of Mr Alex Neuling. All fees remain unpaid at 30 June 2015 and are included in trade and other payables.
2. Mr David Pile received payments during the financial year ended 30 June 2015 totalling \$70,000. The remaining balance of remuneration of \$191,058 is included in trade and other payables.

Directors' Report

30 June 2015

3. Mr Ranaldo Anthony received payments during the financial year ended 30 June 2015 totalling \$55,000. The remaining balance of remuneration of \$173,436 is included in trade and other payables.

	Short-term employee benefits	Post-employment benefits	
	Cash salary and fees	Superannuation	Total
2014	\$	\$	\$
<i>Non-executive directors</i>			
Mr Alex Neuling ⁴	41,860	-	41,860
Mr Simon Hewetson	-	-	-
Mr Roger Rees	75,000	-	75,000
<i>Executive directors</i>			
Mr David Pile ⁵	320,000	29,594	349,594
Mr Ranaldo Anthony ⁶	279,680	25,865	305,545
Total	716,540	55,459	771,999

4. Appointed 27 June 2014. Mr Alex Neuling received \$41,860 for Company Secretarial and Accounting services provided by an affiliated entity of Mr Alex Neuling. All fees remain unpaid at 30 June 2014 and 30 June 2015 and are included in trade and other payables.
5. Mr David Pile received payments during the financial year ended 30 June 2014 totalling \$29,198. The remaining balance of remuneration for the financial year ended 30 June 2014 of \$320,396 is included in trade and other payables at 30 June 2014 and 30 June 2015.
6. Mr Ranaldo Anthony received payments during the financial year ended 30 June 2014 totalling \$50,920. The remaining balance of remuneration for the financial year ended 30 June 2014 of \$254,625 is included in trade and other payables at 30 June 2014 and 30 June 2015.

Directors' Report

30 June 2015

REMUNERATION REPORT (CONTINUED)

B. DETAILS OF REMUNERATION (CONTINUED)

During the year to 30 June 2015 no at-risk short-term or long-term incentives were paid or payable to Directors or Executives of the Company / Group.

No cash bonuses were forfeited during the year by Directors or Executives or remained unvested at period-end.

C. SERVICE AGREEMENTS

Remuneration and other terms of agreement for the Company's non-executive directors are formalised in letters of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director. The major provisions of the agreements relating to remuneration are set out below. Non-executive directors' fees are set at an aggregate sum not exceeding \$500,000. During the period ended 30 June 2014, the Chairman was not paid in relation to his role as Chairman or Non-Executive Director. No termination benefits are payable to non-executive directors under the terms of their letters of appointment.

On 1 May 2011 the Company entered into an Executive Service Agreement with David Pile (Managing Director) and Rinaldo Anthony (Executive Director). Under the terms of the present contract:

- Mr Pile will be paid a minimum remuneration package of \$320,000 per annum and Mr Anthony will be paid a minimum remuneration package of \$280,000 per annum. Mr Pile will also be paid an additional amount set at 9% of his base salary into retirement funds and Mr Anthony will be paid an additional amount equal to 9% of his base salary into pension contribution funds.
- Each Executive Director may terminate his respective employment agreement at any time by providing 3 months written notice to the Company.
- The Company may terminate the employment of the Executive Directors with immediate effect if the Executive Director commits any act which at common law would entitle us to terminate the Executive Director's employment without notice or payment in lieu of notice or if the Executive Director becomes bankrupt or makes an arrangement or composition with creditors.
- The Company may also at any time terminate an executive employment agreement without cause, by giving the executive 3 months written notice or 3 months payment in lieu of notice, or a combination of notice and payment in lieu of notice.

Remuneration and other terms of agreement with Alex Neuling in his capacity as the Company Secretary are formalised in an agreement with an entity in which Mr Neuling holds an indirect non-controlling interest, entered into prior to his appointment to the Board. The agreement is on normal commercial terms and provides for a minimum monthly retainer plus hourly rate and has a three month notice period.

Effective April 2015, the above arrangements have been suspended in accordance with the Chairman and Executive Director's decision to forego any payroll benefits. Accordingly, no salary has been accrued or paid from that date except for previously accrued salaries that remained unpaid.

Directors' Report

30 June 2015

REMUNERATION REPORT (CONTINUED)

D. SHARE-BASED COMPENSATION

Option holdings

There were no share-based payment arrangements in existence during the current and prior reporting periods.

E. KEY MANAGEMENT PERSONNEL EQUITY HOLDINGS

Fully paid ordinary shares of Ikwezi Mining Limited

Shares and option holdings

The numbers of shares and options over ordinary shares in the Group held during the financial year by each director of Ikwezi Mining Limited and other KMP of the Group, including their personally related parties, are noted below.

- (i) Mr David Pile has a beneficial interest, whether held directly or indirectly, in 724,669,118 shares of the Company. Mr Pile has an indirect minority beneficial interest in 386,158,750 shares of the Company, an increase of 216,158,750 shares for the period 1 July 2014 to 30 June 2015. In addition, Mr Pile has a notifiable interest in a further 341,700,368 shares due to the ability of Belvedere Mining Holdings, (in which Mr Pile as an indirect minority beneficial interest), to influence the voting of these shares.
- (ii) Mr Tushar Agrawal has an indirect minority beneficial interest in 746,360,694 shares of the Company

Other than as noted above no director or other KMP of the Group has an interest in shares or options over ordinary shares of the Company.

F. OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL OF THE GROUP

Loss for the period includes the following items of revenue and expense that result from transactions, other than compensation, loans or equity holdings, with key management personnel or their related entities:

	Year ended 30/06/15 \$	Year ended 30/06/14 \$
Compliance and administration	<u>73,436</u>	<u>64,965</u>

The Group has an arrangement with Mr Graham Pile, a related party of Mr David Pile, in which Mr Graham Pile provides engineering and other consulting services to the Group on an arms-length basis. The total amount charged for the period was \$31,083 (2014: \$23,105). The Group has an arrangement with an affiliated entity of Mr Alex Neuling in which Mr Alex Neuling provides Company Secretarial and Accounting services on an arms-length basis. The total amount charged for the period was \$42,353 (2014: \$41,860). The full amounts charged for these arrangements are outstanding at the end of June 2014 and 2015 respectively. Amounts are included in trade and other payables and are disclosed above as compliance and administration.

Directors' Report

30 June 2015

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 31 to the financial statements.

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

INSURANCE AND INDEMNITY OF OFFICERS AND AUDITORS

During the year the Company has paid a premium in respect of a contract insuring the directors of the Company (as named above) and the Company Secretary against liabilities incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

This report is made in accordance with a resolution of the directors.



David Pile
Executive Chairman
30 September 2015

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Ranaldo 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 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 Ranaldo Anthony.

Ranaldo 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'. Ranaldo Anthony consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



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Independent Auditor's Report to the members of Ikwezi Mining Limited

We have audited the accompanying financial report of Ikwezi Mining Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 25 to 62.

Directors' Responsibility for the Financial Report

The directors' are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the directors' determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 3, management also states, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors', as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

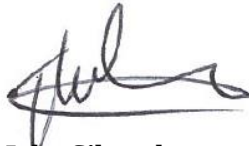
Opinion

In our opinion:

- (a) the financial report of Ikwezi Mining Limited presents fairly, in all material respects, the consolidated entity's financial position as at 30 June 2015 and its financial performance for the year then ended in accordance with Australian Accounting Standards; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 3.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU



John Sibenaler

Partner

Chartered Accountants

Perth, 30 September 2015

Consolidated Statement of Profit or Loss

For the year ended 30 June 2015

	Note	Year ended 30/06/15 \$	Year ended 30/06/14 \$
Other income – rent		23,161	10,542
Investment income	(5)	29,806	26,919
Other gains and losses	(6)	(287,548)	138,397
Total income		(234,581)	175,858
Administrative expenses		330,776	267,425
Depreciation		25,407	1,003
Impairment of exploration and evaluation assets	(13)	9,858,799	-
Employee benefits expense		570,631	716,985
Consulting expenses		20,910	31,796
Occupancy expenses		12,960	23,158
Travel and transport expenses		63,039	102,882
Finance costs	(7)	31,727	59,325
Net foreign exchange loss		6,539	(93)
Other expenses		3,189	2,960
Loss before income tax expense		(11,158,558)	(1,029,583)
Income tax (expense) / benefit	(8)	-	-
Loss for the period from continuing operations		(11,158,558)	(1,029,583)
Attributable to:			
Owners of the Company		(7,885,556)	(1,034,458)
Non-controlling interests		(3,273,002)	4,875
		(11,158,558)	(1,029,583)
Loss per share			
Basic and diluted loss per share (cents per share)	(9)	(1.3)	(0.1)

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2015

	Note	Year ended 30/06/15 \$	Year ended 30/06/14 \$ (Restated)
Loss for the period		(11,158,558)	(1,029,583)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(386,159)	(1,386,811)
		(386,159)	(1,386,811)
Other comprehensive income for the period		(386,159)	(1,386,811)
Total comprehensive income for the period		(11,544,717)	(2,416,394)
Attributable to:			
Owners of the Company		(8,271,715)	(2,421,269)
Non-controlling interests		(3,273,002)	4,875
		(11,544,717)	(2,416,394)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2015

	Note	2015 \$	2014 \$	2013 \$
Assets	(3)		(Restated)	(Restated)
Current assets				
Cash and cash equivalents	(27)	3,375,100	817,375	2,544,753
Trade and other receivables	(10)	55,948	81,257	165,845
Other financial assets	(11)	1,533,826	1,276,858	1,048,913
Other current assets	(12)	137,205	97,678	104,520
Total current assets		5,102,079	2,273,168	3,864,031
Non-current assets				
Exploration and evaluation expenditure	(13)	-	10,698,096	9,986,562
Property, plant and equipment	(14)	12,911,384	12,571,567	13,972,077
Total non-current assets		12,911,384	23,269,663	23,958,639
Total assets		18,013,463	25,542,831	27,822,670
Liabilities				
Current liabilities				
Trade and other payables	(15)	1,552,347	1,262,547	742,694
Borrowings	(17)	-	91,818	359,083
Provisions	(18)	227	214	6,602
Other liabilities	(16)	246	6,214	12,656
Total current liabilities		1,552,820	1,360,793	1,121,035
Non-current liabilities				
Borrowings		-	-	99,386
Provisions	(18)	203,906	173,865	177,682
Total non-current liabilities		203,906	173,865	277,068
Total liabilities		1,756,726	1,534,658	1,398,103
Net assets		16,256,737	24,008,173	26,424,567
Equity				
Issued capital	(20)	34,362,731	30,569,450	30,569,450
Reserves	(21)	(3,949,012)	(3,562,853)	(2,176,042)
Accumulated losses	(21)	(10,944,753)	(3,059,197)	(2,024,739)
Equity attributable to owners of the Company		19,468,966	23,947,400	26,368,669
Non-controlling interests	(22)	(3,212,229)	60,773	55,898
Total equity		16,256,737	24,008,173	26,424,567

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2015

	Note	Year ended 30/06/15 \$	Year ended 30/06/14 \$
Cash flows from operating activities			
Payments to suppliers and employees		(868,832)	(248,607)
Net cash outflow from operating activities	(27)	(868,832)	(248,607)
Cash flows from investing activities			
Payments for capitalised exploration and evaluation		(284,540)	(772,771)
Payments/refunds for property, plant and equipment		54,127	(192,044)
Proceeds from disposal of property, plant and equipment		1,415	62,592
Proceeds from land rental		-	10,542
Payments to acquire financial assets		(78,608)	(227,945)
Interest received		29,806	165,744
Net cash outflow from investing activities		(277,800)	(953,882)
Cash flows from financing activities			
Proceeds from issue of equity instruments of the Company		4,065,000	-
Payment for share issue costs		(212,643)	-
Repayment of borrowings		(91,818)	(397,723)
Net cash inflow / (outflow) from financing activities		3,760,539	(397,723)
Net increase / (decrease) in cash and cash equivalents		2,613,907	(1,600,212)
Cash and cash equivalents at the beginning of the period		817,375	2,544,753
Effects of exchange rate changes on cash and cash equivalents		(56,182)	(127,166)
Cash and cash equivalents at the end of the period	(27)	3,375,100	817,375

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes In Equity

For the year ended 30 June 2015

	Issued Capital	Share based payments reserve	Foreign currency translation reserve	Accumulated losses	Attributable to owners of the parent	Non- controlling interests	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2013 as restated	30,569,450	140,000	(2,316,042)	(2,024,739)	26,368,669	55,898	26,424,567
Profit/(loss) for the year	-	-	-	(1,034,458)	(1,034,458)	4,875	(1,029,583)
Exchange differences on translation of foreign operations as restated	-	-	(1,386,811)	-	(1,386,811)	-	(1,386,811)
Total comprehensive income for the year	-	-	(1,386,811)	(1,034,458)	(2,421,269)	4,875	(2,416,394)
Balance at 30 June 2014 as restated	30,569,450	140,000	(3,702,853)	(3,059,197)	23,947,400	60,773	24,008,173
Profit/(loss) for the period	-	-	-	(7,885,556)	(7,885,556)	(3,273,002)	(11,158,558)
Exchange differences on translation of foreign operations	-	-	(386,159)	-	(386,159)	-	(386,159)
Total comprehensive income for the year	-	-	(386,159)	(7,885,556)	(8,271,715)	(3,273,002)	(11,544,717)
Rights issue shares	4,065,000	-	-	-	4,065,000	-	4,065,000
Share issue expenses	(271,719)	-	-	-	(271,719)	-	(271,719)
Balance at 30 June 2015	34,362,731	140,000	(4,089,012)	(10,944,753)	19,468,966	(3,212,229)	16,256,737

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

1. CORPORATE INFORMATION

Ikwezi Mining Limited ("Company" or "Ikwezi") is a company limited by shares incorporated in Bermuda whose shares are publicly traded on the ASX. The consolidated financial statements of the Group as at and for the year to 30 June 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

2.1 Amendments to AASBs that are mandatorily effective for the current year

In the current year, the Group has applied a number of new amendments to AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2014, and therefore relevant for the current year end.

Standards affecting presentation and disclosure

AASB 1031 'Materiality', AASB 2013-9 'Amendments to Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C: Materiality)	The revised AASB 1031 is an interim standard that cross-references to other Standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. Once all of these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.
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2.2 Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The reported results and position of the Group are not expected to change on adoption of these pronouncements however the adoption of these pronouncements will result in changes to information currently disclosed in the financial statements. The Group does not intend to adopt any of these pronouncements before their effective dates.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments' and the relevant amending standards.	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and	1 January 2016	30 June 2017

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Amortisation'		
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016

At the date of authorisation of the financial statements, there are no IASB Standards or IFRIC Interpretations that are issued but not yet effective.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statement are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ("IFRS")

The financial statements were authorised for issue by the directors on 30 September 2015.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

Historical cost convention

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going Concern

These consolidated financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The Consolidated Entity has incurred a net loss after tax of \$11,158,558 (30 June 2014: loss of \$1,029,583) and had a net cash outflow from operating and investing activities of \$1,146,632 (30 June 2014: net cash outflow of \$1,202,489) for the year ended 30 June 2015. As at 30 June 2015 the Consolidated Entity had cash assets of \$3,375,100 (30 June 2014: \$817,375) and net current assets of \$3,549,259 (30 June 2014: net current assets of \$912,375).

The Directors have prepared a cash flow forecast for the period to 30 September 2016 which continues to include previously implemented measures that reduce expenditure in order to meet minimum legal and contractual obligations that match current cash levels. This forecast indicates that the existing cash resources will be sufficient to meet such obligations. The Directors have not yet made a decision to commence mining activities as the form and structure of any mining activity is still being evaluated by the Directors.

The Directors have reviewed the Consolidated Entity's overall position and outlook in respect of the matters identified above and are of the opinion that the use of the going concern basis remains appropriate.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

Restatement

During the year the directors changed the method for the translation of foreign operations to comply with AASB 121 *The Effects of Changes in Foreign Exchange Rates*. Certain non-monetary items, as noted below, were previously translated at historical exchange rates and are now translated using the closing rate at the end of the reporting period as required by AASB 121 *The Effects of Changes in Foreign Exchange Rates*.

The Directors note that this change has no impact on the Consolidated statement of cash flows nor the basic and diluted loss per share for the year ended 30 June 2014 and 30 June 2013.

	30 June 2014		
	As previously stated	Restatement	As restated
Exchange differences on translation of foreign operations	(117,018)	(1,269,793)	(1,386,811)
Total comprehensive income	(1,146,601)	(1,269,793)	(2,416,394)
Total comprehensive income for the year is attributable to:			

Owners of the company

Consolidated statement of financial position

Property, plant and equipment	15,245,157	(2,673,590)	12,571,567
Total non-current assets	25,943,253	(2,673,590)	23,269,663
TOTAL ASSETS	28,216,421	(2,673,590)	25,542,831
Reserves	(889,263)	(2,673,590)	(3,562,853)
Total EQUITY	26,681,763	(2,673,590)	24,008,173

	30 June 2013		
	As previously stated	Restatement	As restated
Exchange differences on translation of foreign operations	(204,175)	(1,403,797)	(1,607,972)
Total comprehensive income	(1,175,563)	(1,403,797)	(2,579,360)
Total comprehensive income for the year is attributable to:			

Owners of the company

Consolidated statement of financial position

Property, plant and equipment	15,375,874	(1,403,797)	13,972,077
Total non-current assets	25,362,436	(1,403,797)	23,958,639
TOTAL ASSETS	29,226,467	(1,403,797)	27,822,670
Reserves	(772,245)	(1,403,797)	(2,176,042)
Total EQUITY	27,828,364	(1,403,797)	26,424,567

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

(b) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Profit or loss of each component of other comprehensive income is attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Segment Reporting

Management has determined that the Group has one reportable segment, being coal exploration and development. As the Group is focused on coal exploration, the Board monitors the Group based on actual versus budgeted revenues and expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date. The Group operates principally in South Africa.

(d) Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars (\$), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

Non-monetary items that are measured in terms of historical cost a in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated in Australian dollars using the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated equity (attributed to non-controlling interests as appropriate).

(e) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

(f) Income tax

Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid / (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense is charged directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

(g) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(i) Trade and other receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest rate method.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the impairment loss is recognised in the income statement within other expenses.

(j) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Plant and equipment in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write down the net cost or fair value of each asset over its expected useful life to its estimated residual value.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting year. The estimated useful lives are:

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

• Land and buildings	20 years
• Rail siding	20 years
• Plant & machinery	20 years
• Mine infrastructure	7 years
• Road earthworks	20 years
• Office equipment	3 years
• Computer equipment	3 years
• Computer software	2 years
• Motor vehicles	5 years
• Other fixtures and fittings	6 years

(k) Exploration and evaluation

Exploration and evaluation expenditures in relation to each area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) The rights to tenure of the area of interest are current; and
- (ii) At least one of the following conditions is also met:
 - a. The exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - b. Exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of prospecting rights, studies, exploratory drilling, sampling and associated activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value money is material).

(m) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ('FVTPL')) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial Assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss (FVTPL)', 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. The Group designates its investment in unit trusts as at FVTPL and states the investment at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "other gains and losses" line in the income statement. Fair value is determined in the manner described in note 26.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are considered to be impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Re-Purchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(n) Trade and other payables

Trade payables and other accounts payable represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

(o) Operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(p) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered services entitling them to contributions.

(q) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

(r) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(s) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) / Value Added Tax (VAT), except:

- (i) where the amount of GST / VAT incurred is not recoverable from the Australian Tax Office (ATO) / South African Receiver of Revenue (SARS). In these circumstances

Notes To The Consolidated Financial Statements

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the GST / VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- (ii) receivables and payables, with the exception of accrued expenses and expense provisions, are stated with the amount of GST / VAT included.

The net amount of GST recoverable from, or payable to, the ATO / SARS is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis. The GST / VAT components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO / SARS are classified as operating cash flows.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing this financial report the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

(a) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Deferred tax assets

The Group has carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the appropriate jurisdictions.

Capitalisation of exploration and evaluation expenditure

The Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

During the year, the Group identified indicators of impairment on certain exploration and evaluation assets under AASB 6 Exploration for and Evaluation of Mineral Resources, including tenement areas where no further exploration activities were to be performed, resulting in a \$9.85 million impairment charge to profit or loss for the year ended 30 June 2015 (2014: \$nil).

(b) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting year are:

Impairment of assets

The future recoverability of capitalised exploration and evaluation expenditure and property, plant and equipment is dependent on a number of factors, including whether the Group decides

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. During the year, the Group identified indicators of impairment on certain exploration and evaluation assets, including tenement areas where no further exploration activities were to be performed, resulting in a \$9.85 million impairment charge to profit or loss for the year ended 30 June 2015 (2014: \$nil).

5. INVESTMENT INCOME

	Year ended 30/06/15 \$	Year ended 30/06/14 \$
Interest income	29,806	26,919

6. OTHER GAINS AND LOSSES

	Year ended 30/06/15 \$	Year ended 30/06/14 \$
Net gain/(loss) arising on financial assets designated as at FVTPL	104,512	138,397
Loss on sale of non-current assets	(392,060)	-
	(287,548)	138,397

7. FINANCE COSTS

	Year ended 30/06/15 \$	Year ended 30/06/14 \$
Interest on obligations under finance leases	3,413	31,072
Other interest expense	26,514	26,481
Total interest expense for financial liabilities not classified as at fair value	29,927	57,553
Other finance costs	1,800	1,772
	31,727	59,325

8. INCOME TAX

	Year ended 30/06/15 \$	Year ended 30/06/14 \$
Current tax expense	-	-
Deferred tax expense	-	-

The income tax expense for the year / period can be reconciled to the accounting profit / (loss) as follows:

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

	Year ended 30/06/15 \$	Year ended 30/06/14 \$
Accounting loss before tax	(11,158,558)	(1,029,583)
Income tax expense calculated at 30%	3,347,567	308,875
Effect of unused tax losses not recognised as deferred tax assets	(3,347,567)	(308,875)
	-	-

Unused tax losses for which no deferred tax assets have been recognised are attributable to tax losses (revenue in nature). No deferred tax assets have been recognised based upon the Directors assessment of future probable taxable profits arising from current exploration and evaluation assets. As at 30 June 2015, the Group had deferred tax assets not brought to account in relation to the tax losses (at 30%) of \$4,265,316 (2014: \$917,749).

9. LOSS PER SHARE

	Year ended 30/06/15 Cents	Year ended 30/06/14 Cents
Basic / diluted loss per share		
Loss attributable to the ordinary equity holders of the company	(1.3)	(0.3)
Loss used in calculation of basic / diluted loss per share	\$	\$
Loss	(7,885,556)	(1,034,458)
 Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	 616,109,161	 338,750,000
Weighted average number of ordinary shares used as the denominator in calculating diluted loss per share	616,109,161	338,750,000

In February 2015, the Company completed a renounceable rights issue further details of which can be found in note 20. In accordance with AASB 133 Earnings per share, basic and diluted earnings per share for the year ended 30 June 2014 was recalculated to take into account the effect of this rights issue.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

10. TRADE AND OTHER RECEIVABLES

	30/06/15 \$	30/06/14 \$
Prospecting right deposit repayable	-	75,230
VAT receivable	49,555	-
Other receivables	6,393	6,027
	55,948	81,257

(a) Fair value

Due to the short-term nature of these receivables, their carrying value is assumed to approximate fair value.

11. OTHER FINANCIAL ASSETS

	30/06/15 \$	30/06/14 \$
Financial assets carried at fair value through profit or loss (FVTPL)		
Non-derivative financial assets designated as at FVTPL	1,533,826	1,276,858
	1,533,826	1,276,858

The Group holds an interest in a unit trust which is ceded as security for the rehabilitation guarantee.

12. OTHER CURRENT ASSETS

	30/06/15 \$	30/06/14 \$
Prepayments	63,082	31,795
Deposits	69,884	65,883
Other	4,239	-
	137,205	97,678

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

13. EXPLORATION AND EVALUATION EXPENDITURE

	\$
At cost	
Opening balance	9,986,562
Additions	711,534
Balance at 30 June 2014	10,698,096
Additions	363,111
Impairment	(9,858,799)
Effect of foreign exchange differences	(1,202,408)
Balance at 30 June 2015	-

During the year, the Group identified indicators of impairment on certain exploration and evaluation assets, including tenement areas where no further exploration activities were to be performed, resulting in a \$9.85 million impairment charge to profit or loss for the year ended 30 June 2015 (2014: \$nil).

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on successful development and commercial exploitation or sale of the respective exploration areas. Exploration and evaluation expenditure is assessed for impairment by the directors when facts and circumstances suggest that the carrying amount exceeds the future economic benefit that maybe recovered from the asset. The assessment is performed when the above occurs and at every reporting date.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

14. PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings	Rail Siding (in progress)	Beneficiation Plant (in progress)	Mine Infrastructure (in progress)	Road Earthworks (in progress)	Office & Computer Equipment & Software	Motor Vehicles	Other Fixtures & Fittings	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
At cost									
Opening Balance	854,739	161,397	8,386,909	2,805,676	1,648,307	23,474	75,785	62,168	14,018,455
Additions	34,504	-	5,293	(87,273)	-	-	-	-	(47,476)
Disposals	-	-	-	-	-	(770)	(73,514)	-	(74,284)
Effect of foreign currency exchange differences	(84,508)	(15,503)	(801,185)	(262,047)	(158,328)	(1,485)	66,234	(5,972)	(1,262,794)
Balance at 30 June 2014	804,735	145,894	7,591,017	2,456,356	1,489,979	21,219	68,505	56,196	12,633,901
Additions	-	-	19,437	(62,631)	-	-	-	-	(43,194)
Disposals	-	-	-	(392,060)	-	-	-	-	(392,060)
Effect of foreign currency exchange differences	48,864	8,859	517,367	140,568	90,474	1,288	4,160	3,412	814,992
Balance at 30 June 2015	853,599	154,753	8,127,821	2,142,233	1,580,453	22,507	72,665	59,608	13,013,639

During the year, the Group identified indicators of impairment with respect to its Property, plant and equipment. As a result the Group performed an impairment assessment for the Ntendka Colliery Cash Generating Unit ("CGU"). The Group prepared a value in use model for the purpose of impairment testing as at 30 June 2015. In calculating value in use the cash flows include projections of cash inflows and outflows associated with the CGU which requirement management to make significant estimates and judgements. As a result of this testing no impairment charge was identified.

Notes To The Consolidated Financial Statements

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	Land & Buildings	Rail Siding (in progress)	Beneficiation Plant (in progress)	Mine Infrastructure (in progress)	Road Earthworks (in progress)	Office & Computer Equipment & Software	Motor Vehicles	Other Fixtures & Fittings	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accumulated depreciation									
Opening Balance	-	-	-	-	-	5,421	24,074	16,883	46,378
Eliminated on disposals of assets	-	-	-	-	-	(342)	(28,507)	-	(28,849)
Depreciation charged to profit or loss	-	-	-	-	-	268	-	740	1,008
Depreciation related to exploration and evaluation	-	-	-	-	-	3,237	16,804	9,525	29,566
Effect of foreign currency exchange differences	-	-	-	-	-	(753)	11,672	3,312	14,231
Balance at 30 June 2014	-	-	-	-	-	7,831	24,043	30,460	62,334
Eliminated on disposals of assets	-	-	-	-	-	-	-	-	-
Depreciation charged to profit or loss	-	-	-	-	-	1,582	14,316	9,509	25,407
Depreciation related to exploration and evaluation	-	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-	-	1,030	9,841	3,643	14,514
Balance at 30 June 2015	-	-	-	-	-	10,443	48,200	43,612	102,255
Carrying amount									
At 30 June 2014	804,735	145,894	7,591,017	2,456,356	1,489,979	13,388	44,462	25,736	12,571,567
At 30 June 2015	853,599	154,753	8,127,821	2,142,233	1,580,453	12,064	24,465	15,996	12,911,384

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

15. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	30/06/15 \$	30/06/14 \$
Trade payables	289,484	312,529
VAT payable	-	7,700
Other – accruals	1,262,863	942,318
	1,552,347	1,262,547

The average credit period on purchases is 45 days from the date of invoice. Group policy is to pay all undisputed invoices within 30 days from the month of receipt.

(a) Fair value

The carrying amount of trade payables is a reasonable approximation of fair value due to their short-term nature.

16. OTHER CURRENT LIABILITIES

	30/06/15 \$	30/06/14 \$
Other liabilities (note 28)	246	6,214
	246	6,214

17. BORROWINGS

	30/06/15 \$	30/06/14 \$
Secured – at amortised cost		
Finance lease liabilities (note 19)	-	91,818
Current	-	91,818
	-	91,818

The finance lease was secured by the asset leased. The borrowing was a fixed interest rate debt with a repayment period not exceeding 5 years. The finance lease was settled in full during the period.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

18. PROVISIONS

	30/06/15 \$	30/06/14 \$
Employee benefits (i)	227	214
Decommissioning (ii)	203,906	173,865
	204,133	174,079
Current	227	214
Non-current	203,906	173,865
	204,133	174,079

	Provision for decommissioning
Balance at 1 July 2013	177,682
Additional provisions recognised	9,712
Effect of foreign exchange movements	(13,529)
Balance at 30 June 2014	173,865
Additional provisions recognised	29,786
Effect of foreign exchange movements	255
Balance at 30 June 2015	203,906

- (i) The provision for employee benefits represents annual leave entitlements accrued by employees. The increase in the carrying amount of the provision for the current year results from benefits being paid in the current year.
- (ii) The provision for decommissioning represents the cost to decommission the beneficiation plant and is included in the additions to the cost of the plant. The movement for the year represents an increase in the value of the provision adjusted for foreign exchange rates.

19. OBLIGATIONS UNDER FINANCE LEASES

(a) Leasing arrangements

The Group had previously financed 10% of the contract price for the construction and commission of its Beneficiation Plant under a finance lease. The lease term was for 19 months with interest chargeable at 12% per annum. During the period the finance lease was settled in full.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

(b) Finance lease liabilities

	Minimum lease payments		Present value of minimum lease payments	
	30/06/15	30/06/14	30/06/15	30/06/14
	\$	\$	\$	\$
Not later than one year	-	92,783	-	91,818
Later than one year and not later than five years	-	-	-	-
	-	92,783	-	91,818
Less future finance charges	-	(965)	-	-
Present value of minimum lease payments	-	91,818	-	91,818

	30/06/15	30/06/14
Included in the consolidated financial statements as (note 17):		
Current borrowings	-	91,818
Non-current borrowings	-	-
	-	91,818

20. ISSUED CAPITAL

(a) Share capital

	Number	\$
At 30 June 2015:		
Fully paid ordinary shares	1,016,250,000	34,362,731
At 30 June 2014:		
Fully paid ordinary shares	338,750,000	30,569,450

(b) Movements in ordinary share capital

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting or by proxy, is entitled to one vote. Upon a poll every holder is entitled to one vote per share held.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

Description	Number of shares	\$
Opening Balance	338,750,000	30,569,450
Balance at 30 June 2014	338,750,000	30,569,450
Rights issue (a)	677,500,000	4,065,000
Issue costs		(271,719)
Balance at 30 June 2015	1,016,250,000	34,362,731

- a) On 22 December 2014, the Company announced a renounceable rights issue of 2 shares for every 1 share held at an issue price of \$0.006 per share. The Company later announced the rights issue closed on 16 January 2015 resulting in 335,799,632 ordinary shares being issued ("Rights Issue") to raise \$2,014,798 before costs with a further 341,700,368 ordinary shares issued to the underwriter of the rights issue to raise a further \$2,050,202 before costs.

21. RESERVES AND ACCUMULATED LOSSES

	30/06/15 \$	30/06/14 \$
(a) Equity-settled employee benefits reserve		
Opening balance	140,000	140,000
Share-based payments	-	-
Balance at 30 June	140,000	140,000
(b) Foreign currency translation reserve		
Opening balance	(3,702,853)	(2,316,042)
Exchange differences arising on translation of foreign operations	(386,159)	(1,386,811)
Balance at 30 June	(4,089,012)	(3,702,853)
(c) Accumulated losses		
Opening balance	(3,059,197)	(2,024,739)
Net loss for the period attributable to the owners of the Company	(7,885,556)	(1,034,458)
Balance at 30 June	(10,944,753)	(3,059,197)

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

(d) Nature and purpose of reserves

Equity-settled employee benefits reserve:

The reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 24.

Foreign currency translation reserve:

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (being Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

22. NON CONTROLLING INTERESTS

	30/06/15 \$	30/06/14 \$
Opening balance	60,773	55,898
Share of profit/(loss) for the period	(3,273,002)	4,875
Balance at 30 June	(3,212,229)	60,773

23. OPTIONS

At 30 June 2015, there were no options on issue (2014: Nil). There were no options issued during the year ended 30 June 2015 (2014: Nil).

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights.

24. SHARE BASED PAYMENTS

There were no share-based payment arrangements in existence during the current and prior reporting periods. There were no share options issued during the current or previous financial years.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

25. KEY MANAGEMENT PERSONNEL (KMP) COMPENSATION AND RELATED PARTY TRANSACTIONS

The aggregate compensation made to directors and other members of key management personnel of the company and the Group is set out below:

	Year ended 30/06/15 \$	Year ended 30/06/14 \$
Short term employee benefits	468,774	716,540
Post-employment benefits	41,550	55,459
	<u>510,324</u>	<u>771,999</u>

The Group has not provided any of its key management personnel with loans.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

In addition to the above, \$42,353 was charged for company secretarial and accounting services were by an affiliated entity of Mr. Alex Neuling. All fees remain unpaid at 30 June 2015 and are included in trade and other payables.

The Group has an arrangement with Mr. Graham Pile, a related party of Mr. David Pile, in which Mr. Graham Pile provides engineering and other consulting services to the Group on an arms-length basis. The total amount charged for the period was \$31,083 (2014: \$23,105) with the full amount outstanding at the end of June 2015 and included in trade and other payables of \$116,020 (30 June 2014: \$78,942).

26. FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed.

Ikwezi's board of directors (the "Board") performs the duties of a risk management committee in identifying and evaluating sources of financial and other risks. The Board provides written principles for overall risk management which balance the potential adverse effects of financial risks on Ikwezi's financial performance and position with the "upside" potential made possible by exposure to these risks and by taking into account the costs and expected benefits of the various methods available to manage them.

The Group holds the following financial instruments:

	30/06/15 \$	30/06/14 \$
Financial assets		
Cash and cash equivalents	3,375,100	817,375
Fair value through profit or loss (FVTPL):		

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

Designated as at FVTPL	1,533,826	1,276,858
Loans and receivables (including trade receivables)	55,948	81,257

Financial liabilities

Trade and other payables	1,552,347	1,262,547
Finance lease	-	91,818

(a) Market risk

(i) Foreign exchange risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	30/06/15	30/06/14	30/06/15	30/06/14
	\$	\$	\$	\$
South African Rand	555,184	532,075	280,757	468,012
US Dollars	32,986	21,400	91,099	106,524

The Group is mainly exposed to the currency of South Africa (Rand) and the currency of the United States (US Dollars).

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. The sensitivity analysis includes loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Australian dollar strengthens 10% against the relevant currency. For a 10% weakening of the Australian dollar against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	South African Rand impact	US Dollar impact
	\$	\$
Profit or loss	1,039,340	2,075
Equity	114,470	7,775

(ii) Interest rate risk

As at and during the year ended on balance date the Group had no significant interest-bearing assets or liabilities other than liquid funds on deposit. The Group's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

Interest rate sensitivity analysis

If interest rates had been 50 basis points higher/lower and all other variables were held constant the Group's profit for the year ended 30 June 2015 would decrease/increase by \$6,159 (2014: \$890). This is mainly attributable to the Group's exposure to variable interest rates on its cash balances.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers. The Group trades only with recognised, trustworthy third parties. It is the Group's policy to perform credit verification procedures in relation to any customers wishing to trade on credit terms with the Group. These include taking into account the customers' financial position and any past experience to set individual risk limits as determined by the Board.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised in part a) of this note.

As at 30 June 2015, all cash and cash equivalents were held with AA rated banks.

(c) Liquidity risk

Prudent liquidity risk management involves the maintenance of sufficient cash, committed credit facilities and access to capital markets. It is the policy of the Board to ensure that the Group is able to meet its financial obligations and maintain the flexibility to pursue attractive investment opportunities through keeping committed credit lines available where possible, ensuring the Group has sufficient working capital and preserving the 15% share issue limit available to the Group under the ASX Listing Rules. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows.

Contractual maturities of financial liabilities

As at the reporting date the Group had total financial liabilities, excluding borrowings as detailed in Note 17, of \$1,552,347 (2014: \$1,262,547), comprised of non interest-bearing trade creditors and accruals with a maturity of less than 6 months.

The following table details the Group's expected maturity for its non-derivative financial assets.

	Weighted average effective interest rate	Less than 1 month \$	1-3 months \$	Total \$
30 June 2015				
Non-interest bearing	-	91,099	55,948	147,047
Variable interest rate instruments	1.57%	3,283,977	-	3,283,977
		3,375,076	55,948	3,431,024

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

30 June 2014

Non-interest bearing	-	106,525	81,257	187,782
Variable interest rate instruments	1.95%	710,851	-	710,851
		817,376	81,257	898,633

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement and/or disclosure purposes

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	30/06/15	30/06/14		
Unit trust	\$1,552,347	\$1,276,858	Level 1	Quoted unit prices in an active market

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	30/06/15		30/06/14	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Financial liabilities				
Financial lease payables	-	-	91,818	86,849

(e) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the potential return to shareholders.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

27. CASH AND CASH EQUIVALENTS

	30/06/15 \$	30/06/14 \$
Cash at bank and in hand	3,375,100	817,375

(a) Cash balances not available for use

Prospecting Rights in which the Company has an interest require the Company to provide a pecuniary financial provision to rehabilitate the areas disturbed by prospecting activities. The Company has provided financial guarantees to certain regulatory bodies which are secured over cash held by the Company. The total value of these guarantees is \$41,934 (2014: \$41,934) and is classified as cash not available for use.

(b) Fair value

The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

(c) Reconciliation of loss after income tax to net cash outflow from operating activities

	Year ended 30/06/15 \$	Year ended 30/06/14 \$
Loss for the period	(11,158,558)	(1,029,583)
Adjustment for:		
Net foreign exchange loss	6,539	(93)
Depreciation	25,407	1,003
Impairment of exploration and evaluation assets	9,858,799	
Investing income	-	(10,542)
Finance lease interest	-	31,072
Interest income recognised in profit and loss	(29,806)	(26,919)
Other (gains) and losses	287,548	(138,397)
Increase in current liabilities	224,717	836,565
(Increase) / Decrease in trade and other receivables	(83,478)	88,287
Net cash outflow from operating activities	(868,832)	(248,607)

(d) Non-cash transactions

No share-based payments were made during the year (2014: Nil). There were no non-cash transactions during the year.

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

28. OPERATING LEASES

Operating leases relate to a lease for office space with a lease term of 1 year, with an option to renew for a further 1 year. The Group does not have an option to purchase the office space at the expiry of the lease period.

The Group has two separate sub-lease arrangements in place for the office property. Both subleases are on the same terms as the head lease agreement for a 1 year period. Sub-lease payments received are shown as a reduction in rental/occupancy expense.

Payments recognised as an expense:

	Year ended 30/06/15 \$	Year ended 30/06/14 \$
Minimum lease payments	113,666	51,262
Less sub-lease payments received	(108,619)	-
	5,047	51,262

Non-cancellable operating lease commitments:

	30/06/15 \$	30/06/14 \$
Not later than 1 year	107,870	113,193
Later than 1 year and not later than 5 years	168,315	-
Later than 5 years	-	-
	276,185	113,193

Liabilities recognised in respect of non-cancellable operating leases:

	30/06/15 \$	30/06/14 \$
Current	246	6,213
	246	6,213

29. COMMITMENTS & CONTINGENCIES

The Group's operating lease commitments are detailed in note 28.

The Group had no contingent assets or liabilities at reporting date.

Capital expenditure commitments

Plant & Equipment	30/06/15 \$	30/06/14 \$
Not longer than 1 year	260,874	278,038
Later than 1 year and not longer than 5 years	260,874	245,940
Longer than 5 years	-	-
	521,748	523,978

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

Exploration and Evaluation Commitments

The Group must meet the following tenement expenditure commitments to maintain them in good standing until they are joint ventured, sold, reduced, relinquished, exemptions from expenditure are applied or are otherwise disposed of. These commitments, net of farm outs, are not provided for in the financial statements and are:

Tenement expenditure commitments	30/06/15	30/06/14
	\$	\$
Not longer than 1 year	221,889	364,618
Later than 1 year and not longer than 5 years	193,644	350,172
Longer than 5 years	-	-
	415,533	714,790

30. SUBSIDIARIES

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			30/06/15	30/06/14
Naledi Holdings Ltd	Holding company	Mauritius	100%	100%
Naledi Investments Ltd	Investment company	Mauritius	100%	100%
Ikwezi Mining Services Pty Ltd	Administrative services	Australia	100%	100%
Ikwezi Mining (Pty) Ltd	Coal mining	South Africa	70%	70%
Ikwezi Management Services (Pty) Ltd	Management services	South Africa	70%	70%
Bokamoso Resources (Pty) Ltd	Coal exploration	South Africa	60%	60%
Ikwezi Resources (Pty) Ltd	Coal exploration	South Africa	70%	70%

Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non controlling interests:

Name of subsidiary	Proportion of ownership interests and voting rights held by non-controlling interests	Profit (loss) allocated to non-controlling interests	Accumulated non-controlling interests
30/06/2015			
Ikwezi Mining (Pty) Ltd	30%	(2,281,528)	(3,988,217)
Individually immaterial subsidiaries with non-controlling interests			(467,127)
			<u>(4,455,344)</u>
30/06/2014			
Ikwezi Mining (Pty) Ltd	30%	(897,689)	(1,706,689)
Individually immaterial subsidiaries with non-controlling interests			(37,270)
			<u>(1,743,959)</u>

Summarised financial information in respect of Ikwezi Mining (Pty) Ltd is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	30/06/15	30/06/14
	\$	\$
Current assets	1,709,700	1,561,253
Non-current assets	12,926,902	20,605,959
Current liabilities	(27,592,252)	(27,174,359)
Non-current liabilities	(260,290)	(173,865)
Equity attributable to owners of the Company	(9,251,167)	(3,626,715)
Non-controlling interests	(3,964,786)	(1,554,307)

	Year ended 30/06/15	Year ended 30/06/14
	\$	\$
Revenue	3,621	10,542
Expenses	(7,608,714)	(2,113,696)
Profit/(loss) for the year	<u>(7,605,093)</u>	<u>(2,103,154)</u>
Profit/(loss) attributable to owners of the Company	(5,323,566)	(1,472,208)
Profit/(loss) attributable to non-controlling interests	(2,281,528)	(630,946)
Profit/(loss) for the year	<u>(7,605,094)</u>	<u>(2,103,154)</u>

Other comprehensive income attributable to	(2,803,397)	1,918,075
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Notes To The Consolidated Financial Statements

For the year ended 30 June 2015

	Year ended 30/06/15 \$	Year ended 30/06/14 \$
owners of the Company		
Other comprehensive income attributable to non-controlling interests	-	
Other comprehensive income for the year	(2,803,397)	1,918,075
Total comprehensive income attributable to owners of the Company	(8,126,963)	445,867
Total comprehensive income attributable to non-controlling interests	(2,281,528)	(630,946)
Total comprehensive income for the year	(10,408,491)	(185,079)
Dividends paid to non-controlling interests	-	-
Net cash inflow (outflow) from operating activities	(268,907)	(320,382)
Net cash inflow (outflow) from investing activities	(426,020)	(489,113)
Net cash inflow (outflow) from financing activities	535,447	46,544
Net cash inflow (outflow)	(159,480)	(762,950)

31. REMUNERATION OF AUDITORS

During the period the following fees were paid or payable for services provided by the auditor of the Group, its related practices and non-related audit firms:

	Year ended 30/06/15 \$	Year ended 30/06/14 \$
Auditor of the parent entity		
Audit or review financial statements	60,587	78,812
Other services - Tax review	32,250	7,989
Total remuneration for audit and other assurance services	92,837	86,801

The auditor of Ikwezi Mining Limited is Deloitte Touche Tohmatsu.

32. SUBSEQUENT EVENTS

No events occurred subsequent to the date of this report that require disclosure or adjustment to the financial statements.

Directors Declaration

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the financial statements and accompanying notes are prepared in compliance with International Financial Reporting Standards, as stated in note 3 to the financial statements.

Signed in accordance with a resolution of the Directors

A handwritten signature in dark ink, appearing to read 'David Pile', with a stylized, cursive script.

David Pile
Executive Chairman
30 September 2015

Details of Company Secretary, Registered and Principal Administrative Office and Share Registry

The Company Secretary is Mr. Alex Neuling.

The Company's registered office is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company's principal administrative office is 198 Oxford Road Illovo, Johannesburg South Africa (Tel +27 11 9948900, Fax: +27 11 3271885).

The Company's registered office in Australia is c/- Ashurst Australia, Level 32, 2 The Esplanade, Perth, Western Australia, Australia (Tel + 61 9366 8000, Fax: + 61 8 9366 8111).

The Company's Australian Share Registry is maintained by Computershare Investor Services Pty Ltd, Level 2, 45 St Georges Terrace, Perth WA 6000 (Tel within Australia: 1300 262 164, outside Australia: +61 3 9415 4000, Fax within Australia: 1800 783 447, outside Australia: +61 3 9473 2555).

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 27 October 2015.

SUBSTANTIAL HOLDERS

The following is a list of registered holders of five percent or more of the Company's share capital.

Holder	Shares	% Holding
BELVEDERE MINING HOLDINGS INC	382,968,750	37.68
AZURE PROJECTS LTD	341,700,368	33.62

The Company is incorporated in Bermuda as an exempted company and is subject to Bermudan Law. It is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001 dealing with the acquisition of shares (including substantial shareholdings and takeovers) and shareholders are not required to provide with notifications relating to becoming a substantial holder, changes in substantial holdings or ceasing to be a substantial holder.

The Company's Directors, Mr David Pile and Mr Tushar Agrawal have a beneficial interest in 724,669,118 shares and 746,360,694 shares of the Company respectively as disclosed in the Directors report which includes Belvedere Mining Holdings and Azure Projects.

Other than as outlined above, the Company is not aware of any other persons who are a substantial holder in the Company within the meaning of Section 671B of the Corporations Act 2001.

TWENTY LARGEST SHAREHOLDERS

Rank	Name	Units	% of units
1.	BELVEDERE MINING HOLDINGS INC	382,968,750	37.68
2.	AZURE PROJECTS LTD	341,700,368	33.62
3.	SONNY HOLDINGS INC	42,343,750	4.17
4.	ICE COLD INVESTMENTS PTY LTD <BROWNS CHELTENHAM RD S/F A/C>	29,925,000	2.94
5.	ZERO NOMINEES PTY LTD	22,191,250	2.18
6.	CHRONOS INVESTMENTS LTD	21,691,576	2.13
7.	MR VINCENT SWEENEY <INC GI-MFSF A/C>	17,033,740	1.68
8.	INKESE PTY LTD	15,000,000	1.48
9.	GREATSIDE HOLDINGS PTY LTD	6,750,000	0.66
10.	RAPCORP PTY LTD	5,675,000	0.56
11.	MRS ALISON RUTH YEARSLEY	5,038,283	0.50
12.	MR ROBERT RUSSELL DAWSON	4,900,000	0.48
13.	MR RODNEY GEOFF TREMLETT + MRS PATRICIA ANN TREMLETT <TREMLETT SUPER FUND A/C>	4,800,000	0.47
14.	MR GRAHAM WILLIAM WALDON + MRS BARBARA ELIZABETH WALDON <NODLAW INV EMPLOYEES S/F A/C>	4,200,000	0.41
15.	DONROSE INVESTMENTS PTY LTD <DONROSE SUPER FUND A/C>	3,400,000	0.33
16.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,150,000	0.31
17.	J K COLERO ENTERPRISES PTY LTD <SUPER FUND A/C>	3,000,000	0.30
18.	VINCENT CORP PTY LTD	2,904,567	0.29
19.	SMALL BUSINESS FINANCE PTY LIMITED	2,400,000	0.24
20.	TOMREDA PTY LTD	2,250,000	0.22
Total: Top 20 holders of ordinary fully paid shares		921,322,284	90.66
Total: Remaining holders balance		94,927,716	9.34
TOTAL: ORDINARY FULLY PAID SHARES IN ISSUE		1,016,250,000	100.00

DISTRIBUTION OF EQUITY SECURITIES**ORDINARY FULLY PAID SHARES (TOTAL) As of 30 Sep 2015**

Range	Total holders	Units	% of Issued Capital
1 - 1,000	5	114	0.00
1,001 - 5,000	9	33,165	0.00
5,001 - 10,000	15	134,550	0.01
10,001 - 100,000	181	11,404,491	1.12
100,001 - 9,999,999,999	197	1,004,677,680	98.86
Rounding			0.01
Total	407	1,016,250,000	100.00

Number holding less than a marketable parcel: 245

VOTING RIGHTS

Fully paid ordinary shares carry voting rights of one vote for each share held upon a poll.

UNQUOTED SECURITIES

The Company has no unlisted options on issue as at 27 October 2015.

ON-MARKET BUY BACK

There is currently no on-market buy-back program for any of the Company's listed securities.

LIST OF TENEMENTS

Project name	Type	Reference number	Number of hectares	Ownership	Licensee
Ntendeka Colliery	Mining right	KZN 30/5/1/2/297 MR MPTRO: 77/2012 (MR)	12,182	70%	Ikwezi Mining (Pty) Ltd
Acorn Project	Prospecting right	GP 30/5/1/1/2/550 PR MPTRO: 115/2011 (PR)	20,758	60%	Bokamaso Resources (Pty) Ltd
Assegai Project	Prospecting right	MP 30/5/1/1/2/4397	3,998	60%	Bokamaso Resources (Pty) Ltd

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled 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 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 Rinaldo Anthony.

Rinaldo 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. Rinaldo 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 DIRECTORY

Incorporation

Country of Incorporation: Bermuda
Company Registration Number: 45349

Registered and Principal Administrative Office

Clarendon House
2 Church Street
Hamilton, HM11, Bermuda

Australian Office

c/o Ashurst Australia
Level 32
2 The Esplanade
Perth, WA Australia
Tel + 61 8 9366 8000
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Mauritian Office

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Tel +230 483 5130
Fax +230 483 6016

South African Office

198 Oxford Road
Illovo
Johannesburg, South Africa
Tel +27 11 994 8900
Fax +27 11 327 1885

Share Registry

Computershare Investor Services (Pty) Ltd
Level 2
45 St Georges Terrace
Perth, WA Australia
Tel +61 3 9415 4000
Fax +61 3 9473 2555
Codan Services Limited
Clarendon House
2 Church Street
Hamilton, HM11, Bermuda

Company Secretary

Alex Neuling

Assistant Company Secretary
Codan Services Limited

Directors

David Pile – Executive Chairman
Ranaldo Anthony – Executive Director
Tushar Agrawal – Non-executive Director
Alok Joshi - Non-executive Director

ASX Code

IKW

Website

www.ikwezimining.com