



ASX Code: IKW

29 January 2016

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

QUARTERLY ACTIVITIES REPORT – 3 MONTHS ENDED 31 DECEMBER 2015

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

Thermal coal markets

Thermal coal markets along with a number of other commodities remain very weak and oversupplied. The API4 Richards Bay price remains in the USD45 to USD50 range. The South African Rand has experienced significant depreciation versus the US Dollar over the last quarter, which has assisted competitiveness of coal operations supplying into the export markets from South Africa.

Finance and project status update

The Company had A\$2.605 million cash on hand as at 31st December 2015.

The Company believes it has sufficient cash to commence mining activities selling Run of Mine (ROM) coal. However, given the current market conditions, sale of unprocessed ROM coal is marginal from a profitability perspective due mainly to sustained pricing pressure, exacerbated by the entry of the major producers into this area of the market. To bring the coal wash plant into production, will require additional funding. The Company is currently investigating various options in this regard.

During the quarter, the Company continued with its focus on bringing all of its capital and operational quotes for the Ntendeka colliery up-to-date to ensure that they are optimised and efficient in the current market conditions. The extent of capital required to bring the wash plant and mining operations into production has been optimised with a number of savings realised, and these estimates are largely complete, with only few items awaiting finalisation.

No further geological or mine planning work has been undertaken on the remainder of the resource as these have already been optimised to be brought into production in the current environment.

Overheads remain at a minimum and management continues to control these on an ongoing basis.

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

Summary

Expected operational margins in the current depressed thermal coal environment are not substantial. The Company continues with its focus on bringing all of its capital and operational quotes for the Ntendeka colliery up-to-date to ensure that they are optimised and efficient in the current market conditions and the Company remains well positioned to take advantage of any positive movements in the coal prices.

ABOUT IKWEZI

Ikwezi Mining Ltd is focused on the exploration and development of coal projects in South Africa. Ikwezi has a 70% stake in the Ntendeka Colliery and a 60% interest in the Acorn and Assegai projects. The Ntendeka Colliery is located in the KwaZulu-Natal coal fields and is in close proximity to rail and port infrastructure.

For further information contact:

David Pile

Chairman

Tel: +27 11 994 8900

Email: david@ikwezi.co.za

Disclaimer regarding future matters and forward-looking statements

This announcement contains reference to certain intentions, expectations, estimates, future plans, strategy and prospects of the Company. Those intentions, expectations, estimates, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or implied, is made by the Company or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved and each of those persons expressly disclaims all liability with respect to such forward-looking information. Given the risks and uncertainties that may cause the Company's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects.

Appendix – Tenement information

In accordance with Listing Rule 5.3.3, details of the Company's and its controlled entities interests in tenements as at 31 December 2015 are outlined below:

Project name	Type	Reference	Number of hectares and location	Ownership	Licensee
Ntendeka Colliery (formerly Newcastle Project Phase 1)	Mining right	KZN 30/5/1/2/297 MR MPTRO: 77/2012 MR	12,182ha, Northern KwaZulu Natal, South Africa	70%	Ikwezi Mining (Pty) Ltd
Acorn Project	Prospecting right	GP 30/5/1/1/2/550 PR MPTRO: 115/2011(PR	20,758ha, Gauteng Province, South Africa	60%	Bokamaso Resources (Pty) Ltd
Assegai Project	Prospecting right	MP305/1/1/2/4397 PR MPTRO: 12/293 PR	3,998ha, Mpumulanga Province, South Africa	60%	Bokamaso Resources (Pty) Ltd

Mining tenements acquired during the quarter:

Nil

Mining tenements disposed of during the quarter:

Nil.

Notes:

1. Ikwezi Mining Limited holds a 70% interest through its 70% holding in Ikwezi Mining (Pty) Ltd.
2. Ikwezi Mining Limited holds a 60% interest through its 60% holding in Bokamaso Resources (Pty) Ltd

Other beneficial interests

Ikwezi Mining Limited held no other beneficial interests in farm-in or farm-out arrangements during the quarter from 30 September 2015 to 31 December 2015.