

In response to the ASX query relating to production activities for the quarter ended 30 September 2022, the Company wishes to make the following announcement:

Operations update

Operations profile – overall performance of the mining and wash plant activities

The total coal production at the Kliprand and Goedeheop pits in aggregate is 260,792 tonnes. The Emoyeni Wash plant recorded a total of 243,803 feed tonnes for the quarter ended 30 September 2022. The operations were stable at the currently operational mining pits and at the wash plant.

Operations update – Stabilisation of activities at the Goedeheop pit

A total of 106,996 tonnes of run-of-mine coal was produced at the Goedeheop Pit during the quarter. The Company continues to work on stabilising the operations at this pit by reviewing results of the mining operations and initiating suitable adjusting measures. Ikwezi is progressing to optimise coal production volumes at this pit through a process of internal evaluation coupled with engagement with the mining contractor.

Specifically, steps have been initiated by the mining contractor for ensuring optimisation of production, which mainly include a detailed review of the flow of activities, effective mining equipment utilisation and fleet management, productivity measurement and introduction of improvement measures. In sum, continuous monitoring by the mining contractor is in place along with the Company's efforts to stabilise operations at the Goedeheop Pit. Accordingly, steady progress is being made by Ikwezi at the Goedeheop Pit.

Operations update – Shepstone Lake pit related developments

Progress has been made to bring the Shepstone Lake pit into operation in the coming months. Several activities are required in this regard. The steps broadly include planning, pre-production tasks such as site establishment and site preparation, assessment and optimisation of mining activities and the commencement of production of ROM Coal. The pre-production activities such as contractor appointment, site establishment and site preparation commenced during the quarter.

We expect to be in readiness to produce ROM coal in the coming months based on the progress of activities at the site and in line with market demand.

Operations update – overall production costs

During the quarter ended 30 September, A\$ 17,8 million was spent in aggregate on the production activities. The costs include the following major expenses:

- Mining contractor costs - A\$ 6.0 million
- Fuel for mining operations- A\$ 4,8 million;
- Transportation– A\$ 4,1 million;
- Coal product beneficiation costs – A\$ 2.0 million; and
- Others (security, repairs, consumables etc) – A\$ 0.9 million.

Ikwezi Mining Limited

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The company did not incur costs on any exploration activity or development relating to an exploration asset.

This release has been approved by the Board of Directors.

Wayne Price

Company Secretary

21 December 2022