



ASX Code: IKW

31 October 2022

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

## QUARTERLY ACTIVITIES REPORT – 3 MONTHS ENDED 30 SEPTEMBER 2022

Ikwezi Mining Limited (ASX: IKW) – “Ikwezi Mining” or “the Company”

### Corporate update - Delisting of shares

ASX has reviewed the Company’s in-principle application for delisting of its ordinary shares (“**the Delisting**”) and accordingly a market announcement was made by Ikwezi Mining on 25 October 2022, after obtaining the requisite ASX in-principle decision. The Board of Directors considered Delisting due to certain factors (which are more fully described in recent market announcements), including but not limited to the following matters:

- (a) Low levels of trading liquidity;
- (b) No physical presence or Australian operations;
- (c) Lack of legitimate investor interest;
- (d) Negative thermal coal perception;
- (e) Costs: The Company estimates that Delisting will save it approximately AUD\$250,000 per year<sup>1</sup>;
- (f) Management time and effort; and
- (g) Speculative trading.

In accordance with the next steps, the Company has called for an Extraordinary General Meeting (**EGM**), to be held on 24 November 2022, to consider a special resolution<sup>2</sup> (“**the Resolution**”) for approval of Delisting. Based on outcome of the Resolution, Ikwezi would run a buy-back program (“**the Buy-back**”) for a period of 30 days as previously announced on 25 October 2022. Further, it is expected that the shares would be delisted effective on or around 29 December 2022<sup>3</sup>, on completion of the Buy-Back and compliance with ASX Listing Rules insofar as relevant to the Delisting.

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<sup>1</sup> This is an estimate only. The actual cost savings may differ depending on various factors, some of which are out of the Company’s control.

<sup>2</sup> A special resolution will be passed if at least 75% of the votes cast in person, or by proxy, by Shareholders at the EGM are entitled to vote the Resolution are cast in favour of the Resolution.

<sup>3</sup> The Delisting date of the Company is subject to ASX’s continued discretion and this is an indicative date only.

## Finance update

Cash and cash equivalents of the Company at 30 September 2022 amounted to A\$ 10.111 million (30 June 2022: A\$ 1.843 million). Higher cash and cash equivalents balance at the end of the current quarter is attributable to the collection of all significant receivables and the deferment of certain spends/payments aggregating A\$ 8.534 million, comprising of the following:

- i) Current liabilities for goods and services aggregating A\$ 3.89 million would be paid in October;
- ii) Audited financial statements for the year ended 30 June 2022 reported capital commitments of A\$ 3.5 million. Further commitments made, until the date of reporting, aggregate A\$ 1.380 million. Out of the total commitments of A\$ 4.880 million for the year, A\$ 1.226 million was spent during the current quarter and the balance is likely to be incurred in the next quarter/s, by utilising available cash; and
- iii) Funds required for the Buy-back, including costs associated with the Delisting, of A\$ 0.990 million.

No expenditure was incurred on exploration or development activities during the quarter. Total expenditure of A\$ 17.89 million was incurred on mining production activities during the quarter.

## Summary

Key management focus in the short term remains on ensuring a smooth and efficient conduct of the Buy-Back and completion of the Delisting process by complying with relevant ASX Listing Rules and requirements.

## ABOUT IKWEZI

*Ikwezi Mining Limited is focused on the exploration and development of coal projects in South Africa. The Ikwezi mining right area consists of a number of opencast and underground areas. The Kliprand Colliery (previously, Ntendeka) is the initial opencast area where mining operations have commenced. Ikwezi has a 70% stake in the mining right area located in the province of KwaZulu-Natal and are in close proximity to rail and port infrastructure.*

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Chairman

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## 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 and its controlled entities' interests in tenements as at 30 September 2022 are outlined below:

Project name	Type	Reference	Number of hectares and location	Ownership	Licensee
Newcastle Project (previously “Ntendeka Colliery”).	Mining Right	KZN 30/5/1/2/2/297 MR MPTRO: 77/2012 MR	12,182ha, Northern KwaZulu Natal, South Africa	70% <sup>1</sup>	Ikwezi Mining (Pty) Ltd

*Note 1: Ikwezi Mining Limited holds a 70% interest through its 70% holding in Ikwezi Mining (Pty) Ltd.*

### **Mining tenements acquired during the quarter:**

None.

### **Mining tenements disposed of during the quarter:**

None.

### **Other beneficial interests**

Ikwezi Mining Limited held no other beneficial interests in farm-in or farm-out arrangements during the quarter ended 30 September 2022.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

IKWEZI MINING LIMITED

ABN

ARBN 151 258 221

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	27,812	27,812
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(17,889)	(17,889)
	(d) staff costs	(375)	(375)
	(e) administration and corporate costs	(468)	(468)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	18	18
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>9,098</b>	<b>9,098</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(1,226)	(1,226)
	(d) exploration & evaluation	-	-
	(e) investments	(39)	(39)
	(f) other non-current assets		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,265)</b>	<b>(1,265)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,843	1,843
4.2	Net cash from / (used in) operating activities (item 1.9 above)	9,098	9,098
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,265)	(1,265)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	435	435
4.6	<b>Cash and cash equivalents at end of period</b>	<b>10,111</b>	<b>10,111</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	10,063	1,793
5.2	Call deposits	48	50
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>10,111</b>	<b>1,843</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	<b>-</b>	<b>-</b>
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	9,098
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	9,098
8.4	Cash and cash equivalents at quarter end (item 4.6)	10,111
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	10,111
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	N/A
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<p><i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i></p>		

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2022

Authorised by: Nitin Agrawal - Chairman

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**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

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**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.