



ASX Code: IKW

22 January 2012

Company Announcements Office  
Australian Securities Exchange  
Level 4 Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

## Waterberg Prospecting Rights

Ikwezi Mining Limited (**ASX: IKW**, the **Company** or **Ikwezi**) the South Africa-focused coal exploration and development company announced the acquisition of coal prospecting rights covering some 5 714 ha in the Waterberg Coalfield in Limpopo province, South Africa on 30 September 2011.

The acquisition agreement was subject to a number of conditions precedent including a Section 11 approval from the Department of Mineral Resources (DMR). Despite the time frames for the vendors to meet the various conditions precedent being extended, the Company is as yet to receive a S11 approval for the acquisition of the asset. As a result of this the acquisition agreement has lapsed. The Company is in discussions with the DMR to ascertain the nature of the non-processing / non- approval of the Section 11 application and upon receipt of a response will determine how to proceed in either resuscitating the agreement or looking for other opportunities in the Waterberg Coalfield.

From a strategic perspective the Company's focus remains on developing its projects in Kwa-Zulu Natal, Gauteng and the Mpumalanga provinces where available infrastructure in specific rail, water and power is a lot more easily accessible than the Waterberg region in the short to medium term.

The current operational focus of the Company remains on bringing its Ntendeka Colliery into production over the next few months at an initial annualised production rate of approx. 1.25 Mtpa saleable product. It is planned to double the production from the Ntendeka Colliery in line with the provision of main grid power from Eskom to the operation.

There remain a number of opportunities that the Company is well positioned to take advantage of in the Kwa-Zulu Natal and Mpumalanga provinces. From a capital /cost to production perspective, we are of the belief that these provide much better value to our shareholders.

## **ABOUT IKWEZI**

*Ikwezi Mining Ltd is focused on the exploration and development of coal projects in South Africa. Ikwezi has a 70% in the Ntendeka Colliery and a 60% interest in the Dundee, Acorn and Assegai projects. The Newcastle project is located in the KwaZulu Natal coal fields, has an existing JORC compliant resource of approximately 221 Mt and is in close proximity to rail and port infrastructure.*

For further information contact:

David Pile

Managing Director

Tel: +27 11 994 8900

Email: [david@ikwezi.co.za](mailto:david@ikwezi.co.za)

For personal use only