



ASX Code: IKW

17 October 2018

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

Additional loan agreement entered into

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

Ikwezi Mining has entered into a fourth short term loan facility agreement for an amount of ZAR 10.5 million (approx. AUD 1.0 million). The loan is from Osho SA Coal (Pty) Ltd (Osho), a related party, with repayment on or before 30 November 2019.

The Company, to date has entered into four short term loan facility agreements aggregating ZAR 40.5 million (approximately AUD 4.0 million), with Osho. The loans are being utilised by the Company to facilitate the start-up of mining activities at Ikwezi's Kliprand colliery.

These ZAR denominated facilities attract an interest rate of 10% p.a. on the amounts drawn down.

The Company is proceeding with a planned renounceable entitlement issue for approximately AUD6 million. It has received an in-principle support from one of its shareholders to fully underwrite the planned entitlement issue. A portion of the proceeds raised under the renounceable entitlement issue will be used to repay the amounts drawn down under the four short term loan facilities from Osho.

Summary

The completion of the box cut and the mining of first coal represents an important milestone for the Company. It places the Company in a position to start with the generation of cash flow from operations. This, together with the planned renounceable entitlement issue, shall bolster the financial position of the Company going forward.

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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 Newcastle Project (previously the Ntendeka colliery). The Newcastle Project is located in the KwaZulu-Natal coal fields and are in close proximity to rail and port infrastructure. The Kliprand Colliery, which forms part of the Newcastle Project, is the initial opencast area where mining operations are expected to commence.

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Disclaimer regarding future matters and forward-looking statements

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