



ASX Code: IKW

31 July 2019
Company Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

QUARTERLY ACTIVITIES REPORT – 3 MONTHS ENDED 30 JUNE 2019

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

Thermal coal markets

Thermal coal prices declined over the quarter ended 30 June 2019 with the API 4 thermal coal spot prices (FOB Richards Bay for 6,000 kcal, NAR product) ending the quarter at approximately USD63 per ton versus USD71 per ton at the beginning of the quarter.

The API 4 forward index (FOB Richards Bay for 6,000 kcal, NAR product) is currently trading in the USD65 to USD70 range for the next 12 months.

Operational update

During the quarter, Ikwezi focused on implementing its revised mine plan. We expect production rates and the sale of the crushed and screened ROM to increase over the next two quarters in line with the revised operational plan and expected improvement in equipment availability. A new mining contractor, Stefanutti Stocks, has been appointed with effect from 1 August 2019 to undertake all mining activities at the Kliprand Open Pit.

Various options to increase production through an extension to the current Kliprand Open Pit operation are being evaluated. A final decision on this is expected in the second quarter of 2019.

Ikwezi will continue to evaluate bringing the wash plant into operation along with obtaining the relevant rail and port linkages in its own capacity. This will provide the Company with the flexibility to sell either ROM coal and / or washed products either domestically and / or onto the export market, dependent on market conditions.

Finance update

The cash and cash equivalents of the Company at 30 June 2019 totalled AUD 0,25 million (31 March 2019: AUD 0,46 million).

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Coal sales receipts for the quarter totalled AUD 2,46 million (31 March 2019: AUD 1,69 million), with additional cash receipts from sales due in July. This, together with the reduction of collateral required for the rehabilitation fund guarantee, will assist cash flows in the next quarter.

The main capital items that remain are erection of the maintenance workshops and completion of the installation of a main crushing and screening plant. The capital is expected to be funded through operating cash flows.

Geological work

No additional drilling was undertaken during the quarter.

Summary

Management efforts remain focussed on ramping up and improving the consistency of production at the Kliprand open pit. The appointment of Stefanutti Stocks as the mining contractor together with a number of new operational personnel at the mine are expected to assist in this regard. Expansion options continue to be evaluated together with the option of bringing the wash plant into operation.

ABOUT IKWEZI

Ikwezi Mining Ltd 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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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 30 June 2019 are outlined below:

Project name	Type	Reference	Number of hectares and location	Ownership	Licensee
Ntendeka Colliery	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

Mining tenements acquired during the quarter:

None.

Mining tenements disposed of during the quarter:

None.

Notes:

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

Other beneficial interests

Ikwezi Mining Limited held no other beneficial interests in farm-in or farm-out arrangements during the quarter ended 30 June 2019.