

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

IKWEZI MINING LIMITED

ABN

ARBN 151 258 221

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1 688	1 688
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development (*)	-	(3 479)
(c) production	(2 053)	(2 053)
(d) staff costs	(119)	(304)
(e) administration and corporate costs	(160)	(322)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	7
1.5 Interest and other costs of finance paid	(159)	(159)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)		
- Advances	(851)	-
- VAT Refunds	274	274
1.9 Net cash from / (used in) operating activities	(1 375)	(4 348)

(*) Relates to the development of the initial box cut, related "stripping asset" costs and the costs of first coal production on site

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(66)	(376)
(b) tenements (see item 10)	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(c) investments	(45)	(133)
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans from other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(111)	(509)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	3 459
3.6 Repayment of borrowings	(4 352)	(4 352)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (Entitlement Issue) (Refer note 8)	4 015	6 098
3.10 Net cash from / (used in) financing activities	(337)	5 205

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2 302	131
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1 375)	(4 348)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(111)	(509)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(337)	5 205

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(18)	(18)
4.6	Cash and cash equivalents at end of period*	461	461

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	148	133
5.2	Call deposits	313	2 169
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	461	2 302

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	4 000	182
8.2 Credit standby arrangements	-	-
8.3 Other (Entitlement Issue)	4 015	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

On 21 November 2018, a renounceable entitlement issue was announced by the Company. It entitled shareholders registered at the Record Date, to three shares for every one share held, at an issue price of \$0.002 per share. The issue size was A\$6,097,500 (based on the number of Shares on issue as at the date of the Prospectus).

On 10 December 2018, 1,041,360,651 entitlement issue shares were accepted, totalling A\$2.083 million. The shortfall of 2,007,389,349 shares was fully underwritten by Finevest Investments Limited, a company incorporated in the United Arab Emirates, and A\$4.0145 million was received during the quarter.

During the quarter, proceeds from the rights issue were used to settle a portion of the loan amount of ZAR40.5 million (Approx. AUD 4.0 million) that was obtained from Osho SA Coal (Pty) Ltd, a related party and utilised fully in the previous quarter. The loan facility attracts interest at 10 percent per annum, with repayment to be made by 30 November 2019, with a provision for early repayment.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	6 600
9.4 Staff costs	320
9.5 Administration and corporate costs	600
9.6 Other (provide details if material) – Receipts	-
- Customer Receipts	(7 750)
- Investment Redemption	(421)
9.7 Total estimated cash outflows/(inflows)	(651)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

