ASX Code: IKW

30 October 2020

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

QUARTERLY ACTIVITIES REPORT – 3 MONTHS ENDED 30 SEPTEMBER 2020

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

Thermal coal markets

Thermal coal prices (API4 Richards Bay - FOB Richards Bay for 6,000 kcal, NAR product) remained flat, moving upwards with slow momentum during the quarter, with prices trading between US$50 to US$60 per tonne averaging at about US$56.5 per tonne.

Operational update

Since the appointment of the new mining contractor, Ikwezi has achieved its planned production. For the quarter ending 30 September 2020, Ikwezi achieved a production of 179,144 tonnes of coal and 1,004,371 bank cubic meters of total mining. This has been the highest quarterly production rate achieved by Ikwezi since commencement of mining in 2018.

Mobile crushing and screening operations continued to deliver sized coal. The remainder of the Kliprand Infrastructure work re-commenced after the Covid-19 lockdown was relaxed. This work will be completed during the next quarter.

Work at the Emoyeni Wash Plant progressed well during the quarter, with the plant expected to be completed and commissioned during the next quarter.

Finance update

Cash and cash equivalents of the Company at 30 September 2020 totalled A$0.114 million (30 June 2020: A$ 2.548 million), together with undrawn finance facilities in the amount of A$6 million.

Coal sales receipts for the quarter totalled A$3.928 million (Quarter ended 30 June 2020: A$15.75 million).

The expenditure incurred on production activities during the quarter as summarised in this report was approximately A$4.447 million. No expenditure was incurred on exploration or development activities during the quarter.

For personal use only

Future Developments

With the expected commissioning of the Wash Plant in the next quarter, Ikwezi is working on increasing its production of run of mine coal through the establishment of a new open cast area. Ikwezi has submitted an amendment application to the relevant regulatory authorities for the planned new open cast area. The new open cast area is planned to be operated simultaneously with the current Kliprand operations along with the centralised Emoyeni Coal Wash Plant. Ikwezi's mining right covers a total area of 12,182 hectares.

Summary

Key management focus in the short term remains on improving the production volumes and reduced costs at the Kliprand open pit and the associated cash flow generation.

The Company's Appendix 5B includes amounts in items 6.1 and 6.2, being related party payments. These amounts represent payments made to Zarbon Coal (Pty) Ltd (a related party) for fees charged relating to the export of coal and payments to Zarbon Zimele (Pty) Ltd for the purchase of mobile crushing and screening equipment.

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.

For further information contact:

Nitin Agrawal

Chairman

Tel: +27 10 446 8452

Email: nitin@ikwezi.co.za

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.

For personal use only

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 2020 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% [1]	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 2020.

For personal use only