

31 July 2017

The Manager Companies Announcements Australian Securities Exchange Level 40, Central Park 152-158 St George's Terrace PERTH WA 6000

QUARTERLY REPORT AND APPENDIX 5B FOR THE QUARTER ENDED 30 JUNE 2017

Nkwe Platinum Limited ("Nkwe Platinum" or "the Company") (ASX: NKP) is pleased to provide the following report on its activities for the quarter ended 30 June 2017 on the Company's operations in the Republic of South Africa.

SUMMARY

- Water Use Licence for the Garatau Project is imminent.
- Budget quote for Grid power for mine operation pending.
- Bulk water supply for the mine will be sourced from Lepelle Northern Water Board.

Company Overview

The Garatau Project consists of three contiguous properties Garatouw 282KT, Hoepakrantz 291KT and De Kom 252KT, located in the Eastern Limb of the Bushveld Complex, approximately 20 kilometres to the northwest of Steelpoort town, in an established mining district with extensive existing infrastructure. Nkwe Platinum owns 74% of the Mining Right.

To date the Garatau Project has an independently estimated total resource of 43.69 million ounces (Moz) of 3 PGE + Au (20.51 Moz from Hoepakrantz, 21.78 Moz from Garatouw and 1.40 Moz from De Kom). A summary of the Garatau Mineral Resource Statement is given in Table 1 below.

A technical feasibility and commercial viability of extracting these mineral resources has been demonstrated by the delivered definitive feasibility study. The critical mining regulatory authorisations such as the Mining Right and Environmental Authorisations are all in place except the Water Use Licence ("WUL") which is pending.

The Company is busy with certain upfront preparations before commencement of project execution. These preparatory works constitute the Company's Early Works Programme ("EWP"). Further, the company is working on an operational readiness plan to prepare the Company and the operational unit for safe and optimal production output during the transition from engineering and design to capital project implementation.

There are no exploration or mining activities currently taking place.

CORPORATE

Permitting

The Company has a Mining Right over the Garatau Project area, executed in January 2014.

On 4 December 2015, the Department of Environmental Affairs ("**DEA**") granted the environmental authorisation for the Garatau Mine.

On 13 October 2016, the Company announced that it had received correspondence from the South African Department of Mineral Resources ("**DMR**") in which a notice of intention to cancel the Mining Right under section 47 of the Mineral and Petroleum Resources Development Act

AUSTRALIAN OFFICE Level 1, 18 Kings Park Road West Perth WA 6005 Australia

PO Box 168 West Perth WA 6872 Australia

Tel: +61 (0)8 9481 8858 Fax: +61 (0)8 9481 3813

NKWE PLATINUM LIMITED

SOUTH AFRICA OFFICE

1st Floor, Building 3 Harrowdene Office Park 128 Western Services Road Woodmead, Johannesburg 2191 Republic of South Africa

REGISTERED OFFICE

Clarendon House 2 Church Street Hamilton HM11

PO Box HM666 Hamilton HMCX BERMUDA

NKWE PLATINUM LIMITED
Bermuda Regn Number 32747

Web: www.nkweplatinum.com



("MPRDA") over the farm Garatouw 282KT within the jurisdiction of the Greater Tubatse Local Municipality ("Notice"). In the Notice, it was alleged that the Company failed to meet certain provisions of the MPRDA as well as the terms and conditions of the Mining Right (refer ASX announcement dated 18 October 2016). Through the continual engagements with the Department, the Company complied with all the Department's conditions. The Company is now awaiting the final decision by the Honourable Minister of Mineral Resources on the setting aside of the Notice.

The record of decision on the WUL by the Department of Water and Sanitation is imminent. The Company is awaiting the Department's administrative process to be completed and is positive the record of decision would be granted before the end of August 2017.

Bulk Services

Power for shaft sinking and mine operation will be supplied by the national energy regulator, Eskom. Eskom was granted the Environmental Authorisation by DEA for the Garatau Grid Power Project on 18 May 2016. Eskom is currently busy with the lands and rights, and surveying processes. Subsequently, a budget quote will then be issued to the Company after Eskom's own internal approval processes. The budget quote from Eskom is expected during the course of 2017. Grid power from ESKOM will not affect the start-up of the Garatau Project. Construction power will be supplied by diesel generators with a capacity of 5MVA which would be more than sufficient for decline development and associated activities.

South Africa is a water scarce country and securing water for the mining operation to make it successful is crucial. Bulk industrial and portable water supply to the project will be sourced from Lepelle Northern Water Board, a state-owned Water Service Provider.

Social Capital

Government and host communities are among our most important stakeholder groups and our relationship with them has a direct impact on the sustainability of our operations by earning and preserving the social licence to operate over and above our legal right to do so. Due to the unyielding senior leadership commitment to value creation and sustainability throughout the business, the Company's management is constantly in direct and indirect engagements with various stakeholders including Government, Tribal Council and Development forum members of the three host communities.

The Company is cognisant of its obligation in sharing the value that will be created by its flagship Garatau Project once it's in operation, thus ensuring the promotion and advancement of social and economic welfare of our host communities and fulfilling one of the objectives of the MPRDA. To this end, the Company is implementing all its Social and Labour Plan ("SLP") commitments that can be executed before mining operations commence ensuring legislative and regulatory compliance with the Mining Charter targets.

Table 1: Summary of Mineral Resource Estimates Reported according to JORC Category

GARATOUW 282KT								
	TONNES							
CATEGORY	(M)	REEF WIDTH (m)	Pt (g/t)	Pd (g/t)	Au (g/t)	Rh (g/t)	4E (g/t)	4E (Moz)**
			MERE	NSKY REEF				
MEASURED	26.420	2.31	2.06	1.00	0.23	0.12	3.41	2.90
INDICATED	46.440	2.20	1.94	0.94	0.22	0.11	3.20	4.78
INFERRED	31.874	2.17	1.88	0.89	0.21	0.11	3.10	3.17
Sub-Total	104.734	2.22	1.95	0.94	0.22	0.11	3.22	10.85
				UG2				
MEASURED	19.139	1.10	2.40	2.42	0.08	0.52	5.42	3.33
INDICATED	18.758	1.10	2.30	2.26	0.08	0.50	5.14	3.09
INFERRED	26.210	1.10	2.38	2.38	0.08	0.52	5.36	4.51
Sub-Total	64.107	1.10	2.36	2.36	0.08	0.51	5.31	10.93
Total	168.841							21.78

	HOEPAKRANTZ 291KT							
	TONNES							
CATEGORY	(M)	REEF WIDTH (m)	Pt (g/t)	Pd (g/t)	Au (g/t)	Rh (g/t)	4E (g/t)	4E (Moz)**
			MERE	NSKY REEF				
INDICATED	72.787	2.31	1.54	0.72	0.18	0.09	2.53	5.92
INFERRED	42.138	2.31	1.60	0.77	0.20	0.09	2.66	3.60
Sub-Total	114.925	2.31	1.56	0.74	0.19	0.09	2.57	9.52
				UG2				
MEASURED	21.666	1.10					5.62	3.91
INFERRED	39.258	1.10					5.63	7.09
Sub-Total	76.155	1.1						11.00
Total	191.080							20.52

Note: No elemental splits for Hoepakrantz UG2.

De KOM 252KT								
CATEGORY	TONNES (M)	REEF WIDTH (m)*	Pt (g/t)	Pd (g/t)	Au (g/t)	Rh (g/t)	4E (g/t)	4E (Moz)**
	1 , ,			NSKY REEF	,	,	,	
INFERRED	4.834	1.20	2.01	0.97	0.25	0.10	3.33	0.52
Sub-Total	4.834	1.20	2.01	0.97	0.25	0.10	3.33	0.52
				UG2				
INFERRED	5.449	1.20	2.19	2.27	0.07	0.48	5.01	0.88
Sub-Total	5.449	1.20	2.19	2.27	0.07	0.48	5.01	0.88
Total	10.283							1.40

^{*} The widths are intended mining widths, and the estimated resources are thus mineable resources, and not in situ resources.

The information on above resource estimates was first reported by the Company in the December 2014 quarterly and subsequently in a market release dated 20th January 2016 to comply with ASX Listing Rule 5.21 and JORC 2012 requirements. The Company confirms that it is not aware of any new information or data that materially affects the information included in these original market announcements and that all material assumptions and technical parameters underpinning the ore resource estimate continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

COMPETENT PERSONS STATEMENTS

The mineral resources have been prepared and compiled under the guidance of Competent Persons who are registered with the Natural Sciences Institute of South Africa (SACNASP), to comply with the South African Mineral Resources Code (SAMREC) and the Joint Ore Reserves Committee Code (JORC Code). Each of the consultants have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they undertook to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.'. The SACNASP is officially recognised on a reciprocal basis by the Australasian Institute of Mining and Metallurgy (AusIMM).

The following Competent Persons with the appropriate qualifications and experience have been involved in the reporting of the mineral resources and have given their consent to the inclusion in this report of the matters based on their information in the form and context in which it appears:

D Subramani (Garatouw farm Merensky Reef)

K Lomberg (Garatouw farm UG2, De Kom property)

C Lemmer (Hoepakrantz farm UG2)

D MacGregor and Theodore Pegram (Hoepakrantz farm Merensky Reef)

Desmond Subramani is employed by Caracal Creek International Consulting, a consultant to the Company and is a member of the South African Council for Natural Scientific Professions at the time of estimating these resources.

Dr Carina Lemmer is employed as a consultant of Geological and Geostatistical Services, a consultant to the Company and is a member of the South African Council for Natural Scientific Professions at the time of estimating these resources.

Duncan MacGregor is employed by Theo Pegram & Associates (Pty) Ltd as a consultant to the Company and is a member of the South African Council for Natural Scientific Professions and the Australasian Institute of Mining and Metallurgy.

^{**} Geological loss of between 17% and 20% applied to tonnages for recoverable ounces – loss estimates are based on the few disturbances observed in borehole intersections and on geophysical observations.

Kenneth Lomberg is employed as a consultant of Coffey Mining, a consultant to the Company and is a member of the South African Council for Natural Scientific Professions at the time of estimating these resources.

Theodore Pegram is employed by Theo Pegram & Associates (Pty) Ltd, a founding member of the Company and is a member of the South African Council for Natural Scientific Professions, the Geological Society of South Africa and the Australasian Institute of mining and Metallurgy.

The Company confirms that it is not aware of any new information or data that materially affects the information included in these original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

For further information, please contact:

Dr Tan Tielong Managing Director

E: tantielong@nkweplatinum.co.za

Mr Xin Li Chief Financial Officer

E: scottl@nkweplatinum.co.za

+Rule 5.5

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

NKWE PLATINUM LIMITED	
ARBN	Quarter ended ("current quarter")
105 979 646	30 June 2017

Con	nsolidated statement of cash flows	Current quarter	Year to date (6 months)
		\$A'000	\$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(300)	(514)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(69)	(138)
	(e) administration and corporate costs	(388)	(804)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	27	72
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(730)	(1,384)

2.	Cash flows from investing activities	
2.1	Payments to acquire:	
	(a) property, plant and equipment	
	(b) tenements (see item 10)	
	(c) investments	-
	(d) other non-current assets	-

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Con	solidated statement of cash flows	Current quarter	Year to date (6 months)
		\$A'000	\$A'000
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 to 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	-	-

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	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	_	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	•

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,105	5,820
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(730)	(1,384)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	305	244
4.6	Cash and cash equivalents at end of period	4,680	4,680

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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	4,680	5,105
5.2	Call deposits	-	-
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)	4,680	5,105

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	69
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

Directors' fees – all payments are on normal commercial terms

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

items 7.1 and 7.2 N/A

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8.	Financing facilities available Add notes as necessary for an understanding of the position	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

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.

N/A

9.	Estimated cash outflows for next quarter	\$A'000	
9.1	Exploration and evaluation	200	
9.2	Development	300	
9.3	Production	-	
9.4	Staff costs	250	
9.5	Administration and corporate costs	250	
9.6	Other (provide details if material)	-	
9.7	Total estimated cash outflows	1,000	

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	-	-	-	-

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Company Secretary

Sign here: Date: 31 July 2017

Keith Bowker

Notes

Print name:

- 1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- 2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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