13 September 2018

ASX Limited
Company Announcements Office
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

DISPATCH OF SHAREHOLDER CIRCULAR

Shareholder Circular and Amalgamation

Nkwe Platinum Limited ("**Nkwe**" or the "**Company**") confirms that it has commenced the process of dispatching the Shareholder Circular relating to the Company's proposed amalgamation with Gold Mountains (Bermuda) Investment Limited (a wholly-owned subsidiary of Zijin Mining Group Co. Limited ("**Zijin**")) under Bermuda law ("**Amalgamation**"), to Nkwe shareholders. As previously announced, approval of the Amalgamation and amalgamation agreement relating to the implementation of the Amalgamation ("**Amalgamation Agreement**") is a condition to the Amalgamation proceeding.

As previously announced, under the Amalgamation, Nkwe shareholders (other than Zijin and its subsidiaries) will receive cash consideration of A$0.10 per Nkwe share ("**Amalgamation Consideration**"), subject to all applicable conditions being satisfied or waived and the Amalgamation being implemented. All of the Company's issued and outstanding share capital will also be cancelled under the Amalgamation.

Fairness Opinion

To assist with the assessment of the proposed Amalgamation, the Company has commissioned RSM Australia Pty Ltd to be the independent expert ("**Independent Financial Expert**") and prepare a report and provide an expert valuation opinion regarding the Amalgamation Consideration ("**Fairness Opinion**").

The Shareholder Circular includes a copy of the Fairness Opinion, which assesses the value of a Nkwe share to be in the range of A$0.08 to A$0.148, with a mid-point value of A$0.114.

Accordingly, the Amalgamation Consideration to be received by Nkwe shareholders (other than Zijin or any of its subsidiaries) of A$0.10 per Nkwe share sits within the value range as assessed by the Independent Financial Expert and constitutes fair value for each Nkwe share.

Unanimous Recommendation by Independent Directors

Each of the Independent Directors, being Mr Richard O'Shannassy and Mr Neville Bergin, recommends that Nkwe shareholders vote in favour of the Amalgamation, in the absence of a superior proposal and subject to the Fairness Opinion concluding and continuing to conclude that the Amalgamation Consideration constitutes fair value (being within any fair value range as assessed by the Independent Financial Expert) for each Nkwe share.

AUSTRALIAN OFFICE
Level 1, 16 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
ARBN 105 979 646

SOUTH AFRICA OFFICE
Woodlands Office Park
Building 21A
20 Woodlands Dr
Woodmead 2191 Johannesburg

PO Box 11585
Vorna Valley Midrand 1686

REGISTERED OFFICE
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PO Box HM666
Hamilton HMCX
Bermuda

NKWE PLATINUM LIMITED
Bermuda Regn Number 32747

Web: www.nkweplatinum.com

Shareholder Circular

The Shareholder Circular (a copy of which is attached to this announcement) includes the following information relating to the Amalgamation:

- a letter from the Independent Directors of Nkwe to Nkwe shareholders explaining the Amalgamation Agreement and the Amalgamation;
- a copy of the Amalgamation Agreement;
- a copy of the Fairness Opinion;
- a notice of special general meeting ("**SGM**"); and
- a proxy form for the SGM.

Special General Meeting

The SGM will be held at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda at 9:00am (ADT) / 8:00pm (AWST) on 24 October 2018.

Indicative Timetable

Set out below is an indicative timetable for the Amalgamation:

Special General Meeting	24 October 2018
Effective time of Amalgamation and cancellation of the Nkwe shares	The date ("**Effective Date**") and time at which the Amalgamation becomes effective by the issue of a Certificate of Amalgamation by the Registrar of Companies in Bermuda
Suspension of trading of Nkwe shares on all relevant securities exchanges	4.00pm (AWST) on the Effective Date.
Record Date for the Amalgamation	5.00 pm (AWST) on the third (3rd) business day after the suspension of trading.
Payment of the Amalgamation Consideration to Amalgamation participants	Within ten (10) Business Days of the Effective Date.

NKWE PLATINUM LIMITED

BERMUDA EXEMPTED COMPANY NO 32747
ARBN 105 979 646

MEETING MATERIALS FOR SPECIAL GENERAL MEETING

TIME: 9:00am (ADT) / 8:00pm (AWST)

DATE: 24 October 2018

PLACE: Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

This Circular should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. Unless otherwise indicated, capitalised terms used herein have the respective meanings attributed to those terms in the Glossary.

Unless expressly stated otherwise, all amounts are in Australian Dollars.

Should you wish to discuss the matters in this Circular, please do not hesitate to contact the Company Secretary on +61 8 9481 0544.

CONTENTS PAGE

IMPORTANT INFORMATION

This information circular (**Circular**), together with the documents set out below, are being sent to the persons who are registered as the Shareholders of Nkwe Platinum Limited (the **Company**) in connection with the proposed amalgamation of the Company with Gold Mountains (Bermuda) Investment Limited (**BidCo**), an exempted company incorporated in Bermuda and wholly owned by Gold Mountains (H.K.) International Mining Company Limited (**Gold Mountains**).

The information contained in this Circular is given as at the date specified above, except where otherwise noted and is in summary form only. No person has been authorised to give any information or to make representation in connection with the Amalgamation other than those contained or referred to in this Circular and, if given or made, any such information or representation should not be considered to have been authorised by the board of directors of the Company (the **Board**). The contents of this Circular should not be construed as legal, tax or financial advice and has been prepared without reference to the investment objectives, financial situation, tax position or other circumstances in any particular Shareholder or any other person. Shareholders should consult their own professional advisers as to the relevant legal, tax, financial or other matters arising in relation to this Circular and the Nkwe Shareholder Approval and are advised to read this Circular, including the Amalgamation Agreement and the Fairness Opinion, in full including all schedules, annexes and exhibits.

The Company is a company incorporated in Bermuda and any questions relating to the membership of the Company or the rights and liabilities of Shareholders (including the appraisal rights of Shareholders in the Amalgamation) are governed by Bermuda law. Accordingly, the Amalgamation and the rights of Shareholders in relation to the Amalgamation are governed by the laws of Bermuda.

The business of the Special General Meeting affects your shareholding so your vote is important. You can vote in person or by proxy.

VOTING IN PERSON

To vote in person, attend the Special General Meeting at the date, time and place set out on the cover page and in the Notice of the Special General Meeting.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

(a) online via www.investorvote.com.au;

(b) post to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001; or

(c) facsimile to Computershare Investor Services Pty Limited on facsimile number 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia),

so that it is received not later than 9:00am (ADT) / 8:00pm (AWST) on 22 October 2018.

Proxy Forms received later than this time will be invalid.

If you are in doubt as to how you should vote, you should seek independent advice from your accountant, solicitor or other professional adviser prior to voting.

A Shareholder who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Meeting on their behalf. The Shareholder can direct its proxy to vote for, against or abstain from voting on the Resolution by marking the appropriate box in the voting directions section of the Proxy Form. If a Shareholder appoints a proxy holder, the proxy holder must cast all votes as directed in accordance with the Proxy Form. Any directed proxies that are not voted will automatically default to the Chairman of the Meeting, who must vote the proxies as directed.

The Chairman intends to demand a poll, whereby every Shareholder present at the Meeting in person or by proxy shall, in respect of each fully paid Share held by him or her or it shall have one (1) vote.

The Chairman intends to vote all undirected proxies in favour of the Resolution.

If you appoint the Chairman as your proxy (whether intentionally or by default) you can direct the Chairman of the Meeting to vote for, against or abstain from voting on the Resolution by marking the appropriate box on the Proxy Form.

An appointment of a proxy or power of attorney is not effective for the Special General Meeting unless:

(a) in the case of a proxy, the Proxy Form and, if it is executed by an attorney, the relevant power of attorney or a certified copy of it; and

(b) in the case of an attorney, the power of attorney or a certified copy of it,

is received by the Company by one of the following means of delivery prior to 9:00am (ADT) / 8:00pm (AWST) on 22 October 2018:

(i) online via www.investorvote.com.au;

(ii) post to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001; or

(iii) facsimile to Computershare Investor Services Pty Limited on facsimile number 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

If you are a beneficial Shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

SHAREHOLDERS WHO ARE ENTITLED TO VOTE

The Independent Directors have determined that the persons eligible to vote at the Special General Meeting are those who are registered Shareholders of the Company at 9:00am (ADT) / 8:00pm (AWST) on 23 October 2018.

LETTER FROM THE INDEPENDENT DIRECTORS

Dear Shareholders,

RECOMMENDED ACQUISITION OF NKWE BY ZIJIN

On 16 August 2018, the Company announced that it had entered into the Amalgamation Agreement with Zijin and Zijin's wholly-owned subsidiaries, BidCo and Gold Mountains, pursuant to which Nkwe (subject to the Nkwe Shareholder Approval) will amalgamate with BidCo under Bermuda law.

Zijin through its wholly-owned subsidiary, JJML, is Nkwe's largest Shareholder with a relevant interest in sixty and forty-seven hundredths percent (60.47%) of the Shares of Nkwe.

Under the terms of the Amalgamation Agreement, all Shares (other than those Shares held directly or indirectly by Zijin) will be cancelled and converted into the right to receive cash consideration of ten cents (A$0.10) per Share, subject to all applicable Conditions being satisfied or waived, and the Amalgamation being implemented. All Dissentient Shares will be cancelled and converted into the right to receive cash consideration in the amount as determined by the Court, subject to all applicable Conditions being satisfied or waived, and the Amalgamation being implemented.

The Amalgamation Consideration of ten cents (A$0.10) per Share represents a twenty-five percent (25%) increase to the eight cents (A$0.08) originally proposed by Zijin in its indicative non-binding proposal, as announced to ASX on 19 March 2018.

Significant Premium

The Amalgamation Consideration provides the Shareholders (with the exception of Zijin or any of its subsidiaries) with all cash certainty and values Nkwe at approximately ninety million dollars (A$90,000,000). This represents a significant premium of:

- 233% to Nkwe's closing share price of A$0.03 per Share on 16 March 2018, being the last trading date prior to Zijin's non-binding indicative proposal to acquire 100% of Nkwe being announced to ASX;
- 194% to Nkwe's one (1) month volume weighted average price of $0.034 per Share up to and including 16 March 2018;
- 143% to Nkwe's three (3) month volume weighted average price of A$0.041 per Share up to and including 16 March 2018; and
- 112% to Nkwe's twelve (12) month volume weighted average price of A$0.047 per Share up to and including 16 March 2018.

No Superior Proposal

In addition, as at the date of this Circular, there is no other offer for your Shares. Further, the Independent Directors have received no notice of any other proposal and are not otherwise aware of any circumstances that could result in a superior proposal emerging.

The Independent Directors consider the prospect of a superior proposal emerging is remote, given that more than five (5) months has elapsed since Zijin's indicative non-binding proposal was publically announced and given Zijin controls sixty and forty-seven hundredths percent (60.47%) of the Shares.

Avoidance of Risks

Although many factors affect the price of a Share, the Independent Directors believe that if Zijin does not acquire all of the Shares and no superior proposal is announced and successfully implemented, the Share price may fall to levels at, or below, which the Shares traded up to and including 16 March 2018, being the last trading day prior to the announcement of Zijin's non-binding indicative proposal to acquire one hundred percent (100%) of Nkwe being announced to the ASX.

In making their recommendation to Shareholders, the Independent Directors are also conscious that the ongoing progression and any future development of the Garatau Project in South Africa by Nkwe into production will require substantial capital, and there are no guarantees that such capital could be secured on terms that would not result in the significant dilution of existing Shareholders, or at all. As such, the Amalgamation can remove the risks related to future funding and equity dilution faced by Nkwe Shareholders.

Independent Financial Expert Confirms Fair Value

On 29 March 2018, Nkwe appointed Mr Richard O'Shannassy and Mr Neville Bergin as independent directors of the Company (**Independent Directors**). The Independent Directors have taken various steps to ensure that the assessment of the proposed Amalgamation was undertaken independently of Zijin.

To assist with the assessment of the proposed Amalgamation, the Company has commissioned RSM Australia Pty Ltd to be the independent expert (**Independent Financial Expert**) and prepare a report and provide an expert valuation opinion regarding the Amalgamation Consideration (**Fairness Opinion**).

This Circular has been circulated together with a copy of the Fairness Opinion, which assesses the value of a Share to be in the range of A$0.08 to A$0.148, with a mid-point value of A$0.114.

Accordingly, the Amalgamation Consideration to be received by Shareholders (other than Zijin or any of its subsidiaries) of A$0.10 per Share sits within the value range as assessed by the Independent Financial Expert and constitutes fair value for each Share.

Voting

In order to proceed with the Amalgamation and approve the Amalgamation Agreement, the Companies Act and the Bye-laws of the Company requires the Resolution to be approved by the majority of the total votes cast by the Shareholders who are present or by proxy at the Meeting. The quorum necessary for the Meeting shall be three (3) or more Shareholders who are entitled to vote and who are present in person or by proxy at the start of and throughout the Meeting.

The Chairman intends to demand a poll, whereby every Shareholder present at the Meeting in person or by proxy shall, in respect of each fully paid Share held by them have one (1) vote.

As Shareholder of Nkwe, JJML (and its associates) is entitled to vote on the Resolution and has advised the Company that it intends to vote the Shares it holds in favour of the Amalgamation in accordance with the Amalgamation Agreement.

As the other amalgamating company, BidCo has advised the Company that it has approved the Amalgamation and the Amalgamation Agreement in accordance with its bye-laws and the Companies Act.

The Chairman intends to vote all undirected proxies in favour of the Resolution.

Each Dissentient Share shall be cancelled and thereafter shall represent the right to receive the fair value thereof as appraised by the Court on the application of a holder of Dissentient Shares under the Companies Act, and any such fair value shall be paid in accordance with the Companies Act and the Amalgamation Agreement.

Under the Amalgamation Agreement, BidCo may elect to serve notice in writing to Nkwe to terminate the Amalgamation Agreement in the event that the total number of Dissentient Shares at the end of the applicable dissenting period, is greater than ten percent (10%) of Shares (termination to take effect only upon such written notice being served on Nkwe).

Further information surrounding the Shareholders' appraisal rights can be found in the Notice of Meeting.

Each Share held directly or indirectly by Zijin shall, by virtue of the Amalgamation and without any further action of Zijin be cancelled and shall cease to exist and no Amalgamation Consideration shall be delivered in respect of such Shares.

Support of the Independent Directors

Each of the Independent Directors approves of the Amalgamation and recommends that the Shareholders vote in favour of the Amalgamation, in the absence of a superior proposal and subject to the Fairness Opinion continuing to conclude that the Amalgamation Consideration constitutes fair value (being within any fair value range as assessed by the Independent Financial Expert) for each Share.

Yours faithfully,

Richard O'Shannassy
Independent Director
Nkwe Platinum Limited

Neville Bergin
Independent Director
Nkwe Platinum Limited

NOTICE OF SPECIAL GENERAL MEETING

Notice is hereby given that the Special General Meeting of Shareholders of **Nkwe Platinum Limited (the "Company") (ARBN 105 979 646)** will be held at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda at 9:00am (ADT) / 8:00pm (AWST) on 24 October 2018.

AGENDA

Amalgamation

The business of the Special General Meeting will be to consider the proposed amalgamation of the Company with Gold Mountains (Bermuda) Investment Limited, an exempted company incorporated in Bermuda, and continuation as a Bermuda exempted company (the **Amalgamation**) pursuant to the terms of an amalgamation agreement dated 16 August 2018 (the **Amalgamation Agreement**), a copy of which is enclosed with the Circular containing this Notice of Special General Meeting in Appendix C.

The following resolution shall be put to the Meeting in relation to the Amalgamation and the Amalgamation Agreement.

Resolution – Amalgamation of the Company with Gold Mountains (Bermuda) Investment Limited

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

> "*that the Amalgamation be and is hereby approved and the Amalgamation Agreement be and is hereby approved and adopted subject to any modifications, additions or conditions as the Independent Directors may in their absolute discretion determine and approve*."

The Explanatory Statement accompanying this Notice of Meeting provides additional information on the matter to be considered at the Special General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting. Unless otherwise indicated, terms and abbreviations used in this Notice of Meeting and the Explanatory Statement are defined in the Glossary accompanying this Notice of Meeting.

Appraisal Rights

By way of application to the Supreme Court of Bermuda (**Court**) under section 106 of the Companies Act, the Shareholders have the right to receive payment of the fair value of their Shares as appraised by the Court. To preserve their rights, Shareholders who wish to exercise appraisal rights must not vote in favour of the approval of the Amalgamation Agreement and must, within one (1) month of the deemed delivery pursuant to the Bye-laws of this Notice of Special General Meeting, apply to the Court to appraise the fair value of their Shares.

If the fair value of the Shares, as appraised by the Court, is more than the Amalgamation Consideration, then the Company must pay the value of the Dissentient Shares appraised by the Court to the Shareholders of the Dissentient Shares within one (1) month of the Court appraisal.

Persons who do not hold Shares in their own name are not entitled to exercise any appraisal rights. Such person must, without delay, make appropriate arrangements with the nominee who holds the legal title to the relevant Shares to exercise any appraisal rights on their behalf.

Failure by a Shareholder to adhere strictly to the requirements of section 106(6) of the Companies Act may result in the loss of appraisal rights under the Companies Act. The text of section 106(6) of the Companies Act that grant appraisal rights and govern the applicable procedures are appended to this Notice of Meeting (see Appendix A). You are encouraged to read those provisions carefully and in their entirety.

Shareholders should note that pursuant to the Companies Act, the Supreme Court of Bermuda is the only court with jurisdiction to determine an application for an appraisal and that no appeal lies from the decision of the Court. The appraisal rights of Shareholders in the Amalgamation are governed by Bermuda law and are not governed by the laws of any other jurisdiction. Accordingly, Shareholders who wish to exercise their appraisal rights should consult an attorney qualified to practice Bermuda law.

Support of the Independent Directors

At a meeting of the Board, attended only by the Independent Directors, the Board: (i) determined that the proposed Amalgamation is fair, advisable and in the best interest of the Company, (ii) determined that the consideration to be received by the Shareholders (with the exception of Zijin or any of its subsidiaries) in connection with the Amalgamation, being A$0.10) per Share (**Amalgamation Consideration**), represents the fair value of the Shares, and (iii) has approved and declared advisable the Amalgamation Agreement, the Amalgamation and the other transactions contemplated thereby in accordance with the requirements of the Companies Act.

The Independent Directors have determined that the persons eligible to vote at the Special General Meeting are those who are registered Shareholders of the Company at 9.00am (ADT) / 8.00pm (AWST) on 23 October 2018.

By order of the Independent Directors

Keith Bowker
Company Secretary
13 September 2018

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders of Nkwe Platinum Limited in connection with the business to be conducted at the Special General Meeting to be held at 9.00am (ADT) / 8.00pm (AWST) on 24 October 2018 at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The purpose of this Explanatory Statement is to provide Shareholders with information known to the Independent Directors and believed to be material to Shareholders in deciding whether or not to approve the Resolution contained in the Notice of Meeting. This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Meeting.

Amalgamation

In accordance with the Bye-laws, the business of the Special General Meeting will be to consider and if thought fit approve the Amalgamation and the Amalgamation Agreement. In light of the Amalgamation being a "Business Combination" for the purposes of the Bye-laws and having been approved by the Board at a meeting held on 16 August 2018 (at which the Independent Directors formed the necessary quorum), it is noted that the Resolution must be approved by a majority of votes cast on the Resolution.

Only the Shareholders at 9.00am (ADT) / 8.00pm (AWST) on 23 October 2018 are entitled to vote at the Special General Meeting and any adjournment thereof. The Chairman intends to demand a poll, whereby every Shareholder present at the Meeting in person or by proxy shall, in respect of each fully paid Share held by them have one (1) vote.

This Circular is being sent, beginning on approximately 18 September 2018, to all Shareholders of record at 8.00pm (AWST) on 13 September 2018, being the record date fixed by the Independent Directors.

Your vote is very important, regardless of the size of your holdings. The Amalgamation cannot be completed unless the Resolution to approve the Amalgamation and the Amalgamation Agreement is approved by a majority of the votes cast at the Special General Meeting, at which a quorum must be present, in accordance with the Bye-laws. At least three (3) Shareholders who are entitled to vote and who are present in person or by proxy at the start of and throughout the Meeting is required to form a quorum. Even if you plan to attend the Special General Meeting in person, we request that you complete, sign and date the enclosed Proxy Form and return it so that it is received by the Company no later than 9:00am (ADT) / 8:00pm (AWST) on 22 October 2018 to ensure your Shares will be represented. If you do not attend and vote your Shares in person at the Special General Meeting and you fail to return your Proxy Form, your Shares will not be counted as represented at the Special General Meeting for the purposes of determining whether a quorum is present and will not otherwise affect the outcome of the proposal.

Resolution – Amalgamation of the Company with Gold Mountains (Bermuda) Investment Limited

BidCo is a wholly owned subsidiary of Gold Mountains (H.K.) International Mining Company Limited and Gold Mountains is a wholly owned subsidiary of Zijin Mining Group Co Limited, which entity currently holds a relevant interest in sixty and forty-seven hundredths (60.47%) of the Shares in the Company primarily via its wholly owned subsidiary, Jin Jiang Mining Limited.

It is proposed that, subject to and in accordance with the Amalgamation Agreement, BidCo and Nkwe will amalgamate and continue as one company being an exempted company pursuant to, *inter alia*, the applicable provisions of the Companies Act and subject to the terms and conditions of the Amalgamation Agreement.

At a meeting of the Board attended only by the Independent Directors, it was determined that the proposed Amalgamation is fair, advisable and in the best interest of the Company, and has approved the Amalgamation Agreement and agreed to the Amalgamation upon the terms and conditions set out therein.

Amalgamation Agreement

The Amalgamation Agreement sets out the respective obligations of Nkwe, BidCo, Gold Mountains and Zijin in relation to the Amalgamation. Under the Amalgamation Agreement, each of BidCo, Gold Mountains and Nkwe agree to do, execute and perform such further acts, deeds, documents and things as may reasonably be required in order to effect the Amalgamation.

The due and punctual performance of Gold Mountains' and BidCo's obligations under the Amalgamation Agreement is unconditionally and irrevocably guaranteed by Zijin.

The Amalgamation Agreement also contains the conditions to the Amalgamation proceeding. In summary, those conditions include, amongst other things (**Conditions**):

- no order, injunction or other decision or ruling issued or made by any court, tribunal, regulatory authority or other legal restraint or prohibition preventing the Amalgamation;
- BidCo, Gold Mountains and Nkwe obtaining all necessary regulatory approvals (**Regulatory Approvals**);
- receipt by Nkwe of a Fairness Opinion from the Independent Financial Expert concluding that the Amalgamation Consideration constitutes fair value (being within any fair value range as assessed by the Independent Financial Expert) for each Share;
- the Nkwe Shareholder Approval is obtained at the Meeting;
- no material adverse change occurs for the purposes of the Amalgamation Agreement;
- each of the representations and warranties given by Nkwe and Gold Mountains under the Amalgamation Agreement are true and correct in all material respects as at each time they are given or made; and
- no judgment, order, decree, statute, law, ordinance, rule or regulation entered, enacted, promulgated being enforced or issued by any court or governmental entity or other legal restraint or prohibition being in effect to prevent the Amalgamation.

In summary, the Amalgamation Agreement shall terminate if:

- the Conditions are not satisfied or waived in accordance with the Amalgamation Agreement by the last date for fulfilment of the Conditions (a date to be determined by each of BidCo and Nkwe after the Nkwe Shareholder Approval and Regulatory Approvals have been obtained);
- the Nkwe Shareholder Approval is not obtained at the Meeting;
- Nkwe receives a bona fide competing proposal to acquire control of Nkwe which, if completed substantially in accordance with its terms, would be more favourable to Shareholders as a whole than the Amalgamation and which the Independent Directors publicly recommend that Shareholders should accept or support;

- Nkwe terminates the Amalgamation Agreement following a material breach of the Amalgamation Agreement by BidCo or Gold Mountains, if such breach is not cured to the satisfaction of Nkwe within thirty (30) days;

- the Amalgamation is not completed and effective by 31 March 2019 (or such other date agreed between the parties to the Amalgamation Agreement); or

- BidCo electing to serve notice in writing to Nkwe to terminate the Amalgamation Agreement in the event that the total number of Dissentient Shares at the end of the applicable dissenting period, is greater than ten percent (10%) of Shares (termination to take effect only upon such written notice being served on Nkwe).

Fairness opinion

The Company has commissioned RSM Australia Pty Ltd to be the independent expert and prepare a report and provide the Fairness Opinion.

This Circular has been circulated together with a copy of the Fairness Opinion (see Appendix D), which assesses the value of a Share to be in the range of A$0.08 to A$0.148, with a mid-point value of A$0.114.

Accordingly, the Amalgamation Consideration to be received by Shareholders (other than Zijin or any of its subsidiaries) of A$0.10 per Share sits within the value range as assessed by the Independent Financial Expert and constitutes fair value for each Share.

Timetable

An indicative timetable setting out key dates in relation to the Amalgamation is contained in Appendix B.

Voting

In order to proceed with the Amalgamation and approve the Amalgamation Agreement, the Companies Act and the Bye-laws of the Company requires the Resolution to be approved by the majority of the votes cast by the Shareholders who are present in person or by proxy at the Meeting. The quorum necessary for the Meeting shall be three (3) or more Shareholders who are entitled to vote and who are present in person or by proxy at the start of and throughout the Meeting.

The Chairman intends to demand a poll, whereby every Shareholder present at the Meeting in person or by proxy shall, in respect of each fully paid Share held by them have one (1) vote.

As Shareholder of Nkwe, JJML (and its associates) is entitled to vote on the Resolution and has advised the Company that it intends to vote the Shares it holds in favour of the Amalgamation in accordance with the Amalgamation Agreement.

As the other amalgamating company, BidCo has advised the Company that it has approved the Amalgamation and the Amalgamation Agreement in accordance with its bye-laws and the Companies Act.

The Chairman intends to vote all undirected proxies in favour of the Resolution.

Support of the Independent Directors

Each of the Independent Directors approves of the Amalgamation and recommends that Shareholders vote in favour of the Amalgamation, in the absence of a superior proposal and subject to the Fairness Opinion continuing to conclude that the Amalgamation Consideration constitutes fair value (being within any fair value range as assessed by the Independent Financial Expert) for each Share.

GLOSSARY

Capitalised terms not otherwise defined in the Notice of Special General Meeting, the letter from the Independent Directors and the Explanatory Statement have the following meanings:

A$	The currency of the Commonwealth of Australia.
ADT	Atlantic Daylight Time.
Amalgamation	The amalgamation of BidCo and Nkwe pursuant to the provisions of the Amalgamation Agreement and the Companies Act and the continuation of the amalgamation company as an exempted company of Bermuda.
Amalgamation Agreement	The amalgamation agreement among Zijin, Gold Mountains, BidCo and Nkwe dated 16 August 2018 and the attached schedules, as the same may be further amended, restated, modified or supplemented from time to time.
Amalgamation Consideration	The cash consideration for each Share held by a Shareholder payable in accordance with the Amalgamation Agreement, being A$0.10 per Share.
AWST	Australian Western Standard Time.
ASX	ASX Limited and where applicable, the Australian Securities Exchange operated by ASX Limited.
BidCo	Gold Mountains (Bermuda) Investment Limited.
Board	the board of directors of the Company.
Bye-laws	The Company's bye-laws, as amended from time to time.
Chairman or **Chairman of the Meeting**	The chairman of the Meeting.
Circular	Has the meaning as set out on page 1 of this Circular.
Companies Act	Companies Act 1981 of Bermuda, as amended.
Conditions	Has the meaning as set out on page 10 of this Circular.
Court	Has the meaning as set out on page 7 of this Circular.
Dissentient Shares	The Shares held by a Shareholder who makes an application to the Court pursuant to section 106(6) of the Companies Act, within the applicable dissenting period.
Explanatory Statement	The explanatory statement accompanying the Notice of Special General Meeting.
Fairness Opinion	Has the meaning as set out on page 5 of this Circular.
Gold Mountains	Gold Mountains (H.K.) International Mining Company Limited.
Independent Directors	Richard O'Shannassy and Neville Bergin in their capacity as directors of the Company.
Independent Financial Expert	RSM Australia Pty Ltd.
JJML	Jin Jiang Mining Limited.
Nkwe or **Company**	Nkwe Platinum Limited.

Nkwe Shareholder Approval	Means the Resolution of the Shareholders, approving the Amalgamation and the Amalgamation Agreement, as follows, pursuant to the Bye-laws of Nkwe: (a) By a vote taken by poll, passed by the affirmative votes of a majority of votes cast by the Shareholders who are present in person or by proxy at the Meeting; and (b) The quorum necessary for the Meeting shall be three (3) or more Shareholders who are entitled to vote and who are present in person or by proxy at the start and throughout the Meeting.
Notice, **Notice of Meeting** or **Notice of Special General Meeting**	The notice of meeting relating to the Special General Meeting of Shareholders to be held at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda at 9:00am (ADT) / 8:00pm (AWST) on 24 October 2018.
Ordinary Resolution	A resolution passed by a simple majority of Shareholders on a show of hands or by a simple majority of votes given on a poll.
Proxy Form	The proxy form accompanying the Notice of Meeting.
Regulatory Approvals	Has the meaning as set out on page 10 of this Circular.
Resolution	The resolution set out in the Notice of Meeting.
Shareholders	The holders of the Shares and each a **Shareholder**.
Shares	Fully paid common shares in the capital of the Company, and each a **Share**.
Special General Meeting or **Meeting**	The special general meeting of Shareholders convened by the Notice of Special General Meeting.
Zijin	Zijin Mining Group Co Limited.

NKWE PLATINUM LIMITED

PROXY FORM

NKWE
PLATINUM
NKWE Platinum Limited
ARBN 105 979 646

NKP
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

XX

Vote online

- Go to www.investorvote.com.au **or** scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 **PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 9:00am (ADT) / 8:00pm (AWST) Monday, 22 October 2018

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged a power of attorney with the registry, please attach a certified photocopy of a power of attorney to this form when you return it.

Companies: This form must be signed by a duly authorised officer or attorney.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the Company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE, or turn over to complete the form ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Nkwe Platinum Limited hereby appoint

☐ **the Chairman of the meeting** **OR** _____

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the meeting of Nkwe Platinum Limited to be held at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda on Wednesday, 24 October 2018 at 9:00am (ADT) / 8:00pm (AWST) and at any adjournment or postponement of that meeting.

STEP 2 Item of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution	That the amalgamation of Nkwe Platinum Limited (the "Company") with Gold Mountains (Bermuda) Investment Limited ("BidCo"), an exempted company incorporated in Bermuda, and continuation in Bermuda as a Bermuda exempted company, pursuant to the terms of an amalgamation agreement dated 16 August 2018 (the "Amalgamation Agreement") among the Company, BidCo, Gold Mountains (H.K.) International Mining Company Limited and Zijin Mining Group Co Limited, be and is hereby approved and the Amalgamation Agreement be and is hereby approved and adopted subject to any modifications, additions or conditions as the Independent Directors may in their absolute discretion determine and approve.	☐	☐	☐

The Chairman of the meeting intends to vote all undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	**Securityholder 2**	**Securityholder 3**
Sole Director and Sole Company Secretary	**Director**	**Director/Company Secretary**

Contact Name _____ **Contact Daytime Telephone** _____ **Date** / /

APPENDIX A TO NOTICE OF SPECIAL GENERAL MEETING

APPRAISAL RIGHTS

SECTION 106 OF THE COMPANIES ACT 1981 OF BERMUDA, AS AMENDED

106. SHAREHOLDER APPROVAL

(1) The directors of each amalgamating or merging company shall submit the amalgamation agreement or merger agreement for approval to a meeting of the holders of shares of the amalgamating or merging company of which they are directors and, subject to subsection (4), to the holders of each class of such shares.

(2) A notice of a meeting of shareholders complying with section 75 shall be sent in accordance with that section to each shareholder of each amalgamating or merging company, and shall -

(a) include or be accompanied by a copy or summary of the amalgamation agreement or merger agreement; and

(b) subject to subsection (2A), state—

(i) the fair value of the shares as determined by each amalgamating or merging company; and

(ii) that a dissenting shareholder is entitled to be paid the fair value of his shares.

(2A) Notwithstanding subsection (2)(b)(ii), failure to state the matter referred to in that subsection does not invalidate an amalgamation or merger.

(3) Each share of an amalgamating or merging company carries the right to vote in respect of an amalgamation or merger whether or not it otherwise carries the right to vote.

(4) The holders of shares of a class of shares of an amalgamating or merging company are entitled to vote separately as a class in respect of an amalgamation or merger if the amalgamation agreement or merger agreement contains a provision which would constitute a variation of the rights attaching to any such class of shares for the purposes of section 47.

(4A) The provisions of the bye-laws of the company relating to the holding of general meetings shall apply to general meetings and class meetings required by this section provided that, unless the bye-laws otherwise provide, the resolution of the shareholders or class must be approved by a majority vote of three-fourths of those voting at such meeting and the quorum necessary for such meeting shall be two persons at least holding or representing by proxy more than one-third of the issued shares of the company or the class, as the case may be, and that any holder of shares present in person or by proxy may demand a poll.

(5) An amalgamation or merger agreement shall be deemed to have been adopted when it has been approved by the shareholders as provided in this section.

(6) Any shareholder who did not vote in favour of the amalgamation or merger and who is not satisfied that he has been offered fair value for his shares may within one month of the giving of the notice referred to in subsection (2) apply to the Court to appraise the fair value of his shares.

(6A) Subject to subsection (6B), within one month of the Court appraising the fair value of any shares under subsection (6) the company shall be entitled either—

(a) to pay to the dissenting shareholder an amount equal to the value of his shares as appraised by the Court; or

(b) to terminate the amalgamation or merger in accordance with subsection (7).

(6B) Where the Court has appraised any shares under subsection (6) and the amalgamation or merger has proceeded prior to the appraisal then, within one month of the Court appraising the value of the shares, if the amount paid to the dissenting shareholder for his shares is less than that appraised by the Court the amalgamated or surviving company shall pay to such shareholder the difference between the amount paid to him and the value appraised by the Court.

(6C) No appeal shall lie from an appraisal by the Court under this section.

(6D) The costs of any application to the Court under this section shall be in the discretion of the Court.

(7) An amalgamation agreement or merger agreement may provide that at any time before the issue of a certificate of amalgamation or merger the agreement may be terminated by the directors of an amalgamating or merging company, notwithstanding approval of the agreement by the shareholders of all or any of the amalgamating or merging companies.

APPENDIX B TO NOTICE OF SPECIAL GENERAL MEETING

TIMETABLE

All capitalised terms used herein have the respective meanings attributed to those terms in the Amalgamation Agreement, unless the context requires otherwise. Unless otherwise stated, all references in this document to times are to Atlantic Daylight time.

Event	*Time / Date*
Dispatch of Notice of Meeting	Not less than 34 days prior to the Meeting
Last time for receipt of proxy forms for Meeting	48 hours prior to the Meeting
Meeting voting record date	8.00 pm (AWST), on the Business Day prior to the date of the Meeting
Meeting	9.00 am on a Business Day being not earlier than 34 days after the date of the Notice of Meeting.
Announcement of results of Meeting	No later than 5.00 pm on day of the Meeting
Conditions Fulfilment Date	The date on which all of the Conditions have been fulfilled (but prior to the registration of the Amalgamated Company and cancellation of the Shares, which is the time at which the Amalgamation becomes Effective)
Announcement of Conditions Fulfilment	No later than 5.00 pm on the Conditions Fulfilment Date
Effective Time and cancellation of the Shares	The date and time at which the Amalgamation becomes Effective by the issue of the Certificate of Amalgamation by the Registrar of Companies.
Suspension of trading of the Shares on all relevant securities exchanges	4.00pm (AWST) on the date on which the Amalgamation becomes Effective
Record Date for the Amalgamation	5.00 pm (AWST) on the third (3rd) Business Day after the suspension of trading (to allow for all trades occurring on the last day of trading to settle and be recorded in the Nkwe Share Register)
Payment of the Amalgamation Consideration to Amalgamation Participants	Within ten (10) Business Days of the Effective Date

Sunset Date	31 March 2019, unless extended

APPENDIX C TO NOTICE OF SPECIAL GENERAL MEETING

AMALGAMATION AGREEMENT

Amalgamation Agreement

Gold Mountains (H.K.) International Mining Company Limited CRN 0931321 (**Gold Mountains**)

Gold Mountains (Bermuda) Investment Limited (Bermudan Registration Number 53596) (**BidCo**)

Zijin Mining Group Co Limited (**Zijin**)

Nkwe Platinum Limited (Bermuda Registration Number 32747 and ARBN 105 979 646) (**Nkwe**)

Table of Contents

Table of Contents

Amalgamation Agreement

Date 16 AUGUST 2018

Parties

1. Gold Mountains (H.K.) International Mining Company Limited, a company incorporated and registered in Hong Kong with company registration number 0931321 whose registered office is at Unit 7503A, Level 75, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong (**Gold Mountains**);

2. Gold Mountains (Bermuda) Investment Limited, an exempted company, incorporated and registered in Bermuda with company registration number 53596 whose registered office is c/o BeesMont Corporate Services Limited, 5th Floor, Andrew's Place, 51 Church Street, Hamilton HM 12, Bermuda (**BidCo**);

3. Zijin Mining Group Co Limited, Hong Kong Stock Exchange stock code 2899 and Shanghai Stock Exchange stock code 601899, and whose registered address is 41/F, Tower B, AVIC ZIJIN PLAZA, 1811 Huandao East Road Siming District, Xiamen, PRC (**Zijin**), solely for the purposes of Clause 8.6; and

4 Nkwe Platinum Limited, an exempted company, incorporated and registered in Bermuda with company registration number 32747 and ARBN 105 979 646, whose registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda (**Nkwe**),

(Gold Mountains, BidCo and Nkwe are hereinafter collectively referred to as the **Parties** and each a **Party**).

Background

A. BidCo is a wholly owned subsidiary of Gold Mountains and Gold Mountains is a wholly owned subsidiary of Zijin, which entity currently holds a relevant interest in 60.47% of Nkwe Shares via the holder of the Excluded Shares, being Zijin's wholly owned subsidiary, Jin Jiang Mining Limited.

B. It is proposed that, subject to and in accordance with this Agreement, BidCo and Nkwe will amalgamate and continue as one company being an exempted company pursuant to, *inter alia*, the applicable amalgamation provisions of the Companies Act (as defined below) and subject to the terms and conditions of this Agreement.

C. The board of directors of each of the Parties have determined that the proposed Amalgamation is fair, advisable and in the best interest of such Party, and have approved this Agreement and agreed to the Amalgamation upon the terms and conditions hereinafter set out.

D. The Parties wish to enter into this Agreement for the purpose of recording the terms of the proposed Amalgamation and regulating the manner in which it will proceed.

It is agreed

1. Definitions and interpretation

1.1 Definitions

In this Agreement:

Agreement means this amalgamation agreement and attached Schedules, as the same may be further amended, restated, modified or supplemented from time to time.

Amalgamation means the amalgamation of BidCo and Nkwe pursuant to the provisions of this Agreement and the Companies Act and the continuance of the Amalgamated Company as an exempted company of Bermuda.

Amalgamation Application has the meaning set out in Clause 8.5.

Amalgamated Company means the company resulting from the Amalgamation of BidCo and Nkwe pursuant to the provisions of this Agreement and the Companies Act (which will be known as "Nkwe Platinum Limited" following the Amalgamation).

Amalgamation Consideration means A$0.10 for each Nkwe Share held by an Amalgamation Participant payable pursuant to Clause 10.2(a)(1) or Dissentient Shareholder payable in cash pursuant to Clause 10.2(a)(2).

Amalgamation Participant means each Nkwe Shareholder who is registered in the Nkwe Share Register as the holder of Nkwe Shares as at the Record Date (taking into account registration of all registrable transfers and transmission applications received for registration in the Nkwe Share Register by the Record Date), other than a Dissentient Shareholder or a holder of an Excluded Share.

Applicable Law means any federal, state, local or foreign law, statute, ordinance or common law, or any rule, regulation, standard, order or agency requirement of any Governmental Entity in any jurisdiction.

ASX means Australian Securities Exchange.

ASX Listing Rules means the official listing rules of the ASX.

Authorised Officer of a Party which is a corporation means:

(a) an employee of the Party whose title contains either of the words director or manager;

(b) a person performing the function of a director or manager of the Party;

(c) a solicitor acting on behalf of the Party; or

(d) a person appointed by the Party to act as an Authorised Officer for the purposes of this Agreement and notified to the others.

BidCo Completion Deliverables has the meaning as set out in Clause 6(b).

BidCo Share means an issued and fully paid share in the capital of BidCo.

BidCo Shareholder Approval means resolutions of the sole shareholder of BidCo, being Gold Mountains, approving the Amalgamation and this Agreement.

BidCo Statutory Declaration means the statutory declaration required to be filed with the Registrar of Companies with respect to BidCo in accordance with Section 108(3) of the Companies Act in connection with the Amalgamation substantially in the form of Schedule 6.

Board means the board of directors of Nkwe.

Board Approval means the approval of the Board, pursuant to resolutions passed by the Independent Nkwe Directors, being the sole directors present and voting at the meeting of the Board obtained in accordance with the provisions of the bye-laws of Nkwe of, *inter alia*, the following matters:

(a) that the Amalgamation is a business combination within the meaning of Bye-law 93.2

of the bye-laws of Nkwe, such that the necessary SGM quorum and Nkwe shareholder approval as set out in Bye-laws 38.1 and 43.1, respectively, shall apply,

(b) the entry into, and implementation of, this Agreement and other Transaction Documents to which it is a party, and

(c) subject to the Fairness Opinion, confirming that the Amalgamation Consideration constitutes fair value (being within any fair value range as assessed by the Independent Financial Expert) for each Nkwe Share.

Business Day means:

(a) if determining when a Notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the Notice, consent or other communication is sent; and

(b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) in Bermuda.

Certificate of Amalgamation means the certificate of amalgamation to be issued by the Registrar of Companies evidencing the Amalgamation of BidCo and Nkwe pursuant to section 108 of the Companies Act.

Circular means the circular to the Nkwe Shareholders including, *inter alia,* a letter from the Board, a copy of this Agreement and the Fairness Opinion.

Companies Act means the Companies Act 1981 of Bermuda.

Conditions means the conditions precedent to the Amalgamation set out in Clause 4 of this Agreement and **Condition** means one or more of them as the context may require.

Conditions Fulfilment means the satisfaction or waiver (in accordance with Clause 4) of all Conditions.

Conditions Fulfilment Date means the date that the Parties agree that the Conditions Fulfilment is to occur in accordance with Clause 5(a).

Court means the Supreme Court of Bermuda.

Dissentient Shareholder means a Nkwe Shareholder who makes an application to the Bermuda Court pursuant to section 106(6) of the Companies Act.

Dissentient Shares means the Nkwe Shares that are held by Dissentient Shareholders.

Effective means the coming into effect of the Amalgamation by the registration of the Amalgamated Company with the Registrar of Companies and the consequent issuance of a Certificate of Amalgamation, in accordance with the Companies Act.

Effective Date means the date when the Amalgamation becomes Effective in accordance with the terms and Conditions of this Agreement and stated in the Certificate of Amalgamation, which, subject to satisfaction or (as appropriate) waiver of the Conditions, is anticipated to be the next Business Day after the Record Date and must take place on or prior to the Sunset Date.

Effective Time means the time on the Effective Date when the Amalgamation becomes Effective.

Exchange Fund has the meaning as set out in Clause 10.2(a).

Excluded Shares means each Nkwe Share that is held by Zijin or its wholly owned subsidiary, Jin Jiang Mining Limited as at the Record Date.

Execution and Investment Committee means the execution and investment committee of the Zijin board duly authorized under the Articles of Association of Zijin and the Articles of Operation for the Execution and Investment Committee of Zijin.

Fairly Disclosed means disclosed in sufficient detail to allow a reasonable person to identify the relevant nature and scope of the matters disclosed.

Fairness Opinion means the valuation report from the Independent Financial Expert to be included in the Circular.

Form of Proxy means the form of proxy accompanying the Circular for use by the Nkwe Shareholders in connection with the SGM.

Gold Mountains Regulatory Approvals means the consents, approvals, clearances, decisions, determinations, or other acts by a Governmental Entity, which Gold Mountains and Nkwe (acting reasonably) determine are necessary for the Conditions Fulfilment and are the responsibility of Gold Mountains and/or BidCo.

Governmental Entity means any authority including a federal, state, local or foreign government, court, administrative, regulatory or other governmental agency, commission or authority or any non-governmental self-regulatory agency, commission, authority or panel.

Independent Financial Expert means RSM Australia Pty Ltd.

Independent Nkwe Directors means Richard O'Shannassy and Neville Bergin.

Insolvency Event means any of the following:

(a) a person is or states that the person is unable to pay from the person's own money all the person's debts as and when they become due and payable;

(b) a person is taken or must be presumed to be insolvent or unable to pay the person's debts under any Applicable Law;

(c) an application or order is made for the winding up or dissolution or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of a company and such application is not stayed, withdrawn, dismissed, discharged or restrained within seven days;

(d) an administrator, provisional liquidator, liquidator or business rescue practitioner or person having a similar or analogous function under the laws of any relevant jurisdiction is appointed in respect of a company or any action is taken to appoint any such person and the action is not stayed, withdrawn, dismissed, discharged or restrained within seven days;

(e) a controller is appointed in respect of any property of a company;

(f) a person enters into or takes any action to enter into an arrangement (including a scheme of arrangement or deed of company arrangement), composition or compromise with, or assignment for the benefit of, all or any class of the person's creditors or members or a moratorium involving any of them; or

(g) anything analogous to or of a similar effect to anything described above under the law of any relevant jurisdiction occurs in respect of a person.

Material Adverse Change means:

(a) an event, change, condition, matter or thing occurs;

(b) information is disclosed or announced by Nkwe concerning any event, change, condition, matter or thing that has occurred; or

(c) information concerning any event, change, condition, matter or thing that has occurred becomes known to Gold Mountains (whether or not becoming public),

(each of (a) and (b) and (c) a **Specified Event**) which, whether individually or when aggregated with other Specified Events, has resulted in, or is reasonably likely to result in:

(d) the value of the consolidated net assets of Nkwe being reduced by twenty-five percent (25%) or more,

but shall not include any such Specified Event which arises from:

(e) any changes that result from changes in general economic or political conditions or the securities market in Australia in general;

(f) any changes resulting from conditions affecting the platinum industry generally;

(g) customer or supplier actions that can reasonably be considered to have directly resulted from the announcement of the Amalgamation;

(h) any changes that are or result from a matter or thing Fairly Disclosed to Gold Mountains or BidCo on or before the date of this Agreement;

(i) any change which takes place with the prior consent of Gold Mountains or BidCo;

(j) any change in accounting policy required by Applicable Law or their interpretation; or

(k) any change occurring directly or indirectly as a result of any matter, event or circumstance required by this Agreement, the Amalgamation or the transactions contemplated by them.

For the avoidance of doubt, a fall in the trading price or trading volume of Nkwe Shares on the ASX shall not, of themselves, constitute a Material Adverse Change.

Material Title and Contract means the following titles and contracts (including for the avoidance of doubt any amendments thereto) entered into by Nkwe or a subsidiary of Nkwe:

(a) a lease agreement dated 19 October 2017 between Growthpoint Properties Limited as landlord and Nkwe Platinum SA (pty) Ltd as tenant; and

(b) a deed of lease dated 4 September 2017 entered into between Brown Pebble Investments 2 as lessor and Nkwe Platinum SA (pty) Ltd as lessee.

Nkwe Completion Deliverables has the meaning as set out in Clause 6(a).

Nkwe Regulatory Approvals means the consents, approvals, clearances, decisions, determinations or other acts by a Governmental Entity, which are determined between the Parties (acting reasonably) to be necessary for the Conditions Fulfilment and are the responsibility of Nkwe.

Nkwe Share means an issued fully paid share in the capital of Nkwe.

Nkwe Share Register means the register of members of Nkwe maintained by or on behalf of Nkwe.

Nkwe Shareholder means each Person entered in the Nkwe Share Register as a holder of Nkwe Shares.

Nkwe Shareholder Approval means resolutions of the Nkwe Shareholders, approving the Amalgamation and this Agreement, as follows pursuant to the Bye-laws of Nkwe:

(a) by a vote taken by poll, passed by the affirmative votes of a majority of votes cast by Nkwe Shareholders who are present or by proxy at the SGM; and

(b) the quorum necessary for the SGM shall be three (3) or more Nkwe Shareholders who are entitled to vote and who are present in person or by proxy at the start of and throughout the SGM.

Nkwe Statutory Declaration means the statutory declaration required to be filed with the Registrar of Companies with respect to Nkwe in accordance with Section 108(3) of the Companies Act with the Amalgamation, substantially in the form of Schedule 5.

Notice means any notice, request, claim, demand or other communication.

Notice of SGM means the Notice of the SGM set out in the Circular.

Paying Agent has the meaning as set out in Clause 10.1.

Persons or each a **Person,** means an individual, corporation, limited liability company, partnership, association, trust, unincorporated organization, other natural or legal person, entity or group.

Record Date means the record date to determine entitlements to receive the Amalgamation Consideration as set out in the Timetable.

Registrar of Companies means the Registrar of Companies in Bermuda.

SGM means the special general meeting of Nkwe Shareholders to vote on the Amalgamation.

Specified Event has the meaning referred to in the definition of Material Adverse Change.

Sunset Date means 31 March 2019 or such later date as may be agreed among the Parties to this Agreement.

Superior Proposal has the meaning as set out in Clause 12(a)(4).

Tax means any present or future tax, levy, deduction, impost, withholding, charge or duty which is levied or imposed by any Governmental Entity together with any interest, penalty or fine on those amounts.

Timetable means the timetable setting out the intended sequencing of events required for the Amalgamation to become effective, as set out in Schedule 4.

Transaction Documents means this Agreement, and any supplementary agreements entered into between the Parties on or around the date of this Agreement, and the other documents referred to in any of them.

Untraceable Shareholder has the meaning as set out in Clause 11(a).

1.2 **Interpretation**

(a) Unless the contrary intention appears, a reference in this Agreement to:

(1) this Agreement or another document includes any variation or replacement of it despite any change in the identity of the Parties;

(2) one gender includes the others;

(3) the singular includes the plural and the plural includes the singular;

(4) a person, partnership, corporation, trust, association, joint venture, unincorporated body, Governmental Entity or other entity includes any other of them;

(5) an item, recital, clause, subclause, paragraph, schedule or attachment is to an item, recital, clause, subclause, paragraph of, or schedule or attachment to, this Agreement and a reference to this Agreement includes any schedule or attachment;

(6) a Party includes the Party's executors, administrators, successors, substitutes (including a person who becomes a Party by novation) and permitted assigns;

(7) any statute, ordinance, code or other law includes regulations and other instruments under any of them and consolidations, amendments, re-enactments or replacements of any of them;

(8) money is to Australian dollars, unless otherwise stated; and

(9) a time is a reference to Bermuda time unless otherwise specified.

(b) The words include, including, such as, for example and similar expressions are not to be construed as words of limitation.

(c) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.

(d) Headings and any table of contents or index are for convenience only and do not affect the interpretation of this Agreement.

(e) A provision of this Agreement must not be construed to the disadvantage of a Party merely because that Party or its advisers were responsible for the preparation of this Agreement or the inclusion of the provision in this Agreement.

1.3 **Business Days**

(a) If anything under this Agreement must be done on a day that is not a Business Day, it must be done instead on the next Business Day.

(b) If an act is required to be done on a particular Business Day, it must be done before 5.00pm on the Business Day, or it will be considered to have been done on the following Business Day.

1.4 **Parties**

(a) If a Party consists of more than one Person, this Agreement binds each of them separately and any two or more of them jointly.

(b) An agreement, covenant, obligation, representation or warranty in favour of two or more Persons is for the benefit of them jointly and each of them separately.

(c) An agreement, covenant, obligation, representation or warranty on the part of two or more Persons binds them jointly and each of them separately.

1.5 **Currency**

(a) Unless otherwise indicated, all references to "A$", are references to the lawful currency of Australia.

(b) Unless otherwise indicated, all references to "US$", are references to the lawful currency of the United States of America.

2. The Amalgamation

(a) Nkwe agrees to propose to the Nkwe Shareholders and implement the Amalgamation in accordance with the Companies Act subject to the terms and conditions of this Agreement, and must use all best endeavours to do so in accordance with the Timetable.

(b) Gold Mountains and BidCo agree to assist Nkwe to propose and implement the Amalgamation in accordance with the Companies Act subject to the terms and conditions of this Agreement, and must use all best endeavours to do so in accordance with the Timetable.

(c) Subject to the terms and conditions of this Agreement, each of BidCo and Nkwe hereby agree to amalgamate and shall cause the Amalgamation Application for registration of the Amalgamated Company to be submitted to the Registrar of Companies as provided by Section 108 of the Companies Act such that the Amalgamation shall become Effective at the Effective Time, and shall have provided the Amalgamation Application in draft form to the Registrar of Companies at least one (1) Business Day prior to the Effective Date.

(d) The Parties acknowledge and agree that:

(1) The Amalgamation shall be effected so as to constitute an "amalgamation" in accordance with Section 104 of the Companies Act; and

(2) Nkwe and BidCo shall continue as one company and the Amalgamated Company shall be deemed an "amalgamated company" as such term is understood under the Companies Act.

(e) As of the Effective Time, the name of the Amalgamated Company shall be "Nkwe Platinum Limited" and the registered office of the Amalgamated Company shall be c/o BeesMont Corporate Services Limited, 5th Floor, Andrew's Place, 51 Church Street, Hamilton HM 12, Bermuda and, as soon as practicable thereafter, the books and records of the Amalgamated Company shall be delivered to BeesMont Corporate Services Limited.

(f) Unless as otherwise amended by BidCo prior to the Effective Date, as of the Effective Time, the Memorandum of Association of the Amalgamated Company shall be the Memorandum of Association of BidCo in effect immediately prior to the Effective Time, a copy of which is contained in Schedule 1 of this Agreement.

(g) As of the Effective Time, the bye-laws of the Amalgamated Company shall be the bye-laws of BidCo in effect immediately prior to the Effective Time, a copy of which is

contained in Schedule 2 of this Agreement until thereafter changed or amended as provided therein or pursuant to Applicable Law.

(h) The directors and officers of the Amalgamated Company listed in Schedule 3 attached hereto shall be the directors and officers of the Amalgamated Company until the first annual general meeting of the Amalgamated Company or until their respective offices are otherwise vacated in accordance with the bye-laws of the Amalgamated Company.

(i) Unless as otherwise amended by BidCo prior to the Effective Date, the authorised share capital of the Amalgamated Company shall be US$1,000.00 divided into one thousand (1,000) common shares of par value US$1.00.

(j) As of the Effective Time, the secretary of the Amalgamated Company shall be BeesMont Corporate Services Limited.

(k) From and after the Effective Time, the Nkwe Shareholders shall cease to have any rights as shareholders of Nkwe, except for the right to receive consideration pursuant to Clause 9 contained herein.

3. Effect of the Amalgamation

As of the Effective Time, in accordance with the terms and conditions of this Agreement, and by operation of law pursuant to Section 109 of the Companies Act:

(a) the Amalgamation of BidCo and Nkwe and their continuance as one company shall become Effective;

(b) the property of each of BidCo and Nkwe shall become the property of the Amalgamated Company;

(c) the Amalgamated Company shall continue to be liable for the obligations of each of BidCo and Nkwe;

(d) an existing cause of action, claim or liability to prosecution against Nkwe and/or BidCo shall be unaffected and may be enforced or pursued against the Amalgamated Company;

(e) a civil, criminal or administrative action or proceeding pending by or against either of BidCo and Nkwe may be continued to be prosecuted by or against the Amalgamated Company;

(f) a conviction against, or ruling, order or judgment in favour of or against, BidCo and/or Nkwe may be enforced by or against the Amalgamated Company; and

(g) the Certificate of Amalgamation issued by the Registrar of Companies shall be deemed to be the certificate of incorporation of the Amalgamated Company; however, the dates of incorporation of each of Nkwe and BidCo are their respective original dates of incorporation and the Amalgamation does not alter their original dates of incorporation.

4. Conditions Precedent

(a) Subject to this Clause 4, the Amalgamation Application shall not be submitted unless and until each condition under Clause 4(b) (**Conditions**) is satisfied or waived.

(b) The Conditions are as follows:

(1) No order, injunction or other decision or ruling issued or made by any court, tribunal, regulatory authority or other legal restraint or prohibition preventing the

Amalgamation or otherwise preventing the Conditions Fulfilment is in effect, pending or threatened at 5.00pm Bermuda time on the day before the Conditions Fulfilment Date.

(2) The Gold Mountains Regulatory Approvals are obtained or deemed to be obtained by no later than 5.00pm Bermuda time on the day that is fifteen (15) Business Days prior to the Sunset Date and are not thereafter withdrawn prior to the Effective Time.

(3) The Nkwe Regulatory Approvals are obtained or deemed to be obtained by no later than 5.00pm Bermuda-time on the day that is fifteen (15) Business Days prior to the Sunset Date and are not thereafter withdrawn prior to the Effective Time.

(4) The Fairness Opinion concludes that the Amalgamation Consideration constitutes fair value (being within any fair value range as assessed by the Independent Financial Expert) for each Nkwe Share and is issued and circulated with the Notice of SGM and other documents referenced in the Circular to the Nkwe Shareholders.

(5) Nkwe Shareholder Approval is obtained at the SGM.

(6) BidCo's attorneys have received a copy of this Agreement fully executed on behalf of Nkwe and the Nkwe Completion Deliverables pursuant to Clause 6(b) prior to 5:00pm Bermuda time on the day before the Conditions Fulfilment Date.

(7) Nkwe's attorneys have received a copy of this Agreement fully executed by Zijin, BidCo and Gold Mountains and the other BidCo Completion Deliverables pursuant to Clause 6(a) prior to 5:00pm Bermuda time on the day before the Conditions Fulfilment Date.

(8) Each of the representations and warranties given or made by Nkwe under Clause 7 is true and correct in all material respects as at each time it is given or made.

(9) Each of the representations and warranties given or made by Gold Mountains or BidCo under Clause 7 is true and correct in all material respects as at the time it is given or made.

(10) No Material Adverse Change occurs between the date of this Agreement and 5.00pm Bermuda time on the day before the Conditions Fulfilment Date.

(11) No judgment, order, decree, statute, law, ordinance, rule or regulation entered, enacted, promulgated being enforced or issued by any court or Governmental Entity or other legal restraint or prohibition being in effect to prevent the Amalgamation.

(c) The Conditions in Clauses 4(b)(1), 4(b)(2), 4(b)(3), 4(b)(4), 4(b)(5), 4(b)(6), 4(b)(7) and 4(b)(11) cannot be waived.

(d) The Condition in Clause 4(b)(9) is for the benefit of Nkwe and any breach or non-fulfilment of them may only be waived by Nkwe (in its absolute discretion) by notice in writing to the other Parties.

(e) The Conditions in Clauses 4(b)(8) and 4(b)(10) are for the benefit of Gold Mountains and BidCo and any breach or non-fulfilment of them may only be waived by Gold

Mountains and BidCo (in their absolute discretion) by notice in writing to the other Parties.

(f) Each of the Parties agree, without limiting the generality of Clause 4(b) to each use their best endeavours to ensure that:

(1) the Conditions set out in Clause 4 are satisfied as soon as practicable and continue to be satisfied after the date of this Agreement (as applicable); and

(2) the Gold Mountains Regulatory Approvals and the Nkwe Regulatory Approvals are obtained as soon as practicable after the date of this Agreement.

5. Completion

(a) Each of BidCo and Nkwe will agree the Conditions Fulfilment Date by written notice as soon as practicable after Nkwe Shareholder Approval has been obtained at the SGM and the Gold Mountains Regulatory Approvals and Nkwe Regulatory Approvals have been obtained.

(b) The Conditions Fulfilment Date must take place on or prior to the Sunset Date but after the satisfaction or waiver, if applicable, of each Condition, other than the Conditions in Clauses 4(b)(1), 4(b)(2), 4(b)(3), 4(b)(4) , 4(b)(5), 4(b)(6), 4(b)(7) and 4(b)(11), which cannot be waived.

6. Completion Deliverables

(a) At or prior to the Conditions Fulfilment Date, Nkwe must deliver or procure the delivery to BidCo or BidCo's attorneys, the following Nkwe deliverables (**Nkwe Completion Deliverables**):

(1) a certified copy of the Board Approval;

(2) a certified copy of the Nkwe Shareholder Approval approving the Amalgamation and the entry into, and the implementation of, this Agreement;

(3) a certificate of compliance issued by the Registrar of Companies in respect of Nkwe;

(4) letters of resignation from all of the current directors and officers of Nkwe to be effective as at the Effective Time; and

(5) the Nkwe Statutory Declaration.

(b) At or prior to the Conditions Fulfilment Date, BidCo must deliver or procure the delivery to Nkwe or Nkwe's attorneys the following BidCo deliverables (**BidCo Completion Deliverables**):

(1) the exchange control approval of the Bermuda Monetary Authority;

(2) certified copy of the resolutions of the board of directors of BidCo approving this Agreement and the Amalgamation and any other Transaction Documents to which BidCo is a party;

(3) a certified copy of the resolutions of the sole shareholder of BidCo, being Gold Mountains, approving this Agreement and the Amalgamation;

(4) a certificate of compliance issued by the Registrar of Companies in respect of BidCo;

(5) the BidCo Statutory Declaration;

(6) certified copy of the resolutions of the board of directors of Gold Mountains approving this Agreement and the Amalgamation and any other Transaction Documents to which Gold Mountains is a party; and

(7) certified copy of the resolutions of the Execution and Investment Committee of Zijin approving this Agreement and the Amalgamation and any other Transaction Documents to which Zijin is a party.

7. Representations and Warranties

7.1 Preliminary

(a) Each Party acknowledges that Nkwe, or BidCo and Gold Mountains, as applicable, has executed this Agreement and agreed to take part in the Amalgamation on the basis of and in reliance on, the representations and warranties that are in this Clause 7.

(b) Each of the representations and warranties in this Clause 7 are qualified by any fact, matter or circumstance:

(1) Fairly Disclosed to Gold Mountains or BidCo;

(2) Fairly Disclosed in any reasonably available and easily accessible public information;

(3) the subject of public disclosure on a relevant securities exchange by Nkwe prior to the date of this Agreement; or

(4) expressly contemplated by this Agreement.

(c) Each representation and warranty given or made under Clauses 7 is given:

(1) as at the date of this Agreement;

(2) as at 5.00pm Bermuda time on the day before the SGM;

(3) as at 5.00pm Bermuda time on the day before the Conditions Fulfilment Date; and

(4) immediately before the Effective Time.

(d) Nkwe shall ensure that it does not do anything prior to the Effective Date which would be materially inconsistent with any of the representations and warranties in Clause 7, breach any such representations and warranties, or cause any such representations and warranties to be untrue or misleading.

(e) Gold Mountains and BidCo shall ensure that neither Gold Mountains, BidCo nor any affiliate of either does anything prior to the Effective Date which would cause any of the representations and warranties in Clauses 7 to be untrue or misleading on the relevant date under Clause 7.

(f) If, at any time prior to the Effective Date, a Party becomes aware that a representation and warranty given by it has been materially breached, is untrue or is misleading in a material respect, or has a reasonable expectation that any of those things will occur, it shall immediately:

(1) notify the other Parties of the relevant occurrence in sufficient detail to enable them to make an accurate assessment of the situation; and

(2) if requested by any of the other Parties, use its commercially reasonable efforts to prevent or remedy the notified occurrence.

(g) Each of the representations and warranties in this Agreement is separate and, unless otherwise specifically provided, is not limited by reference to any other representation and warranty or any other provisions of this Agreement.

7.2 **Mutual Representation and Warranties**

BidCo and Gold Mountains each severally represent and warrant to Nkwe in respect of itself, and Nkwe represents and warrants to each of BidCo and Gold Mountains, that, subject to fulfilment or waiver of any relevant Conditions):

(a) It has full legal capacity and power to:

(1) own its property and to carry on its business; and

(2) enter into this Agreement and other Transaction Documents which it is a party and carry out the transactions that each of the Transaction Documents, as applicable, contemplates in accordance with its terms.

(b) It has taken all corporate action that is necessary or desirable to authorise it entering into this Agreement and the other Transaction Documents to which it is a party and carrying out the transactions that each of the Transaction Documents, as applicable, contemplates in accordance with its terms.

(c) It holds each authorisation that is necessary or desirable to:

(1) enable it to properly execute this Agreement, the Amalgamation Agreement and the other Transaction Documents to which it is a party and to carry out the transactions that each of the Transaction Documents (as applicable) contemplates in accordance with its terms;

(2) ensure that this Agreement and the other Transaction Documents to which it is a party are legal, valid, binding and admissible in evidence;

(3) enable it to properly carry on its business in accordance with all Applicable Laws; and

(4) comply with any conditions to which any such authorisation is subject.

(d) This Agreement and the other Transaction Documents to which it is party constitutes legal, valid and binding obligations, enforceable against it in accordance with their terms.

(e) Neither its execution of this Agreement or the other Transaction Documents to which it is a party, as applicable, nor the carrying out by it of the transactions that it contemplates in accordance with their terms, does or will contravene:

(1) any law to which it or any of its property is subject or any order of any Governmental Entity that is binding on it or any of its property;

(2) any authorisation held by it;

(3) any undertaking or instrument binding on it or any of its property; or

(4) its constitution or memorandum of association and bye-laws (however described).

(f) Neither it, nor any of its subsidiaries is affected by an Insolvency Event, in each case which would be reasonably likely to be material to the Parties;

(g) It is not entering into this Agreement as trustee of any trust or settlement or otherwise in a representative capacity;

(h) All information provided by it to the Independent Financial Expert will be, or has been, provided in good faith and on the understanding that the Independent Financial Expert relies on that information for the purpose of preparing the Fairness Opinion; and

(i) To its knowledge, no consents, approvals or other acts by a Governmental Entity are necessary to in order for the Amalgamation to become effective other than the Nkwe Regulatory Approvals and the Gold Mountains Regulatory Approvals.

7.3 **Nkwe Representations and Warranties**

Nkwe represents and warrants to each of Gold Mountains and BidCo that:

(a) It is a Bermuda exempted company and is duly organised, validly existing and in good standing under the laws of Bermuda.

(b) Nkwe has not knowingly omitted to disclose information to Gold Mountains or BidCo, the disclosure of which might reasonably be expected to have resulted in Gold Mountains or BidCo deciding not to proceed with the Amalgamation, or entering into this Agreement on materially different terms.

(c) As at the date of dispatch of the Notice of SGM, the Notice of SGM and Circular will not contain any material statement which is false or misleading (including because of any material omission) and will comply in all material respects with the requirements of Applicable Law and the ASX Listing Rules.

(d) To the best of its knowledge, Nkwe has complied in all material respects with all Applicable Laws.

(e) To the best of its knowledge, Nkwe has not received any notice of termination in respect of any Material Title or Contract and none of them are aware of any intention on the part of any Person or Governmental Entity to terminate any Material Title or Contract (at any time) or any circumstances which has given rise to, or are reasonably likely to give rise to, a right on the part of an issuing authority, Governmental Entity or counterparty to a Material Title or Contract to terminate that title or contract or accelerate the exercise or performance of any right or obligation under that title or contract (whether with the giving of notice, lapse of time or otherwise).

(f) For the avoidance of doubt, the representation in (7.1(e)) above shall not be taken to have been breached or to be untrue by virtue of the Material Title or Contract expiring or terminating in accordance with its terms.

(g) To the best of its knowledge, there is no material litigation, arbitration, mediation, conciliation or administrative proceedings taking place, pending or threatened which, if adversely decided, could reasonably be expected to result in a liability on the part of Nkwe of more than four million United States dollars (US$4,000,000) in aggregate or otherwise result in a Material Adverse Change.

7.4 Gold Mountains and BidCo Representations and Warranties

Gold Mountains and BidCo each severally represent and warrant to Nkwe that:

(a) Gold Mountains is a Hong Kong limited liability company and is duly organised, validly existing and in good standing under the laws of Hong Kong.

(b) BidCo is a Bermuda exempted company and is duly organised, validly existing and in good standing under the laws of Bermuda.

(c) As at the date of dispatch of the Notice of SGM of Nkwe, the information regarding Gold Mountains and BidCo in the Notice of SGM and Circular will not contain any material statement which is false or misleading (including because of material omission) and will comply in all material respects with the requirements of any Applicable Law or rule or requirement of any relevant securities exchange.

(d) As at 5.00pm Bermuda time on the Business Day before the date on which the Effective Time occurs, either BidCo or Gold Mountains will have available to it sufficient cash amounts (whether from internal cash resources or external funding arrangements or a combination of both) on an unconditional basis to satisfy its obligation to pay the aggregate Amalgamation Consideration in accordance with this Agreement.

(e) To the best of its knowledge, each of BidCo and Gold Mountains has complied in all material respects with all Applicable Laws.

(f) Neither BidCo nor Gold Mountains has knowingly omitted to disclose information to Nkwe, the disclosure of which might reasonably be expected to have resulted in Nkwe deciding not to proceed with the Amalgamation, or entering into this Agreement on materially different terms.

(g) BidCo Shareholder Approval has been obtained prior to the execution of this Agreement.

8. Obligations

8.1 General Obligations of the Parties

(a) Each of BidCo, Gold Mountains and Nkwe agree to do, execute and perform such further acts, deeds, documents and things as may reasonably be required in order to effect the Amalgamation.

(b) Without limiting the generality of Clause 8.1(a), BidCo, Gold Mountains and Nkwe agree not to act in a manner inconsistent with the Amalgamation becoming Effective.

(c) Failure by a Party to meet any timeframe or deadline set out in the Timeline will not constitute a breach of this Agreement to the extent that such failure is due to circumstances and matters outside the Party's control.

8.2 Obligations of Gold Mountains and BidCo

Without limiting the generality of Clause 8.1, Gold Mountains and BidCo must take all necessary steps within their control to implement the Amalgamation as expeditiously as practicable and use all best endeavours to do so in accordance with the Timetable, including taking each of the following steps:

(a) as expeditiously as practicable apply for the Gold Mountains Regulatory Approvals and provide Nkwe with a copy of all lodged applications and keep Nkwe reasonably informed of the progress towards obtaining such approvals;

(b) provide, on a continuous basis, all assistance and information reasonably requested by the Independent Financial Expert in connection with the preparation of the Fairness Opinion;

(c) provide all assistance necessary in relation to the Notice of SGM and Circular, including:

(1) preparing and promptly providing Nkwe with all information regarding Gold Mountains and BidCo for inclusion in the Notice of SGM and Circular;

(2) reviewing drafts of the Notice of SGM and Circular prepared by Nkwe and providing comments, if any, as soon as practicable to Nkwe;

(3) providing to Nkwe, as soon as possible, any material new information that they become aware of regarding Gold Mountains or BidCo as may arise after the Notice of SGM and Circular are sent to Nkwe Shareholders;

(d) provide Nkwe with all information reasonably requested by Nkwe in connection with the applications for Nkwe Regulatory Approvals;

(e) ensure that the tasks or obligations required to be performed by it in relation to the Amalgamation are effected in accordance with all Applicable Laws;

(f) deliver the BidCo Shareholder Approval; and

(g) if the Amalgamation becomes Effective, pay the Amalgamation Consideration on a date falling within ten (10) Business Days (Bermuda time) of the Effective Date.

8.3 **Obligations of BidCo**

BidCo shall procure that, subject only to there being reasonable grounds for such officer to believe the statements set out in paragraphs (a) to (c) inclusive of section 108(3) of the Companies Act, one of its officers makes the declarations of solvency in relation to BidCo and the Amalgamated Company required by section 108(3) of the Companies Act and substantially in the form at Schedule 6 attached hereto.

8.4 **Obligations of NKWE**

Without limiting the generality of Clause 8.1, Nkwe must take all necessary steps to propose and implement the Amalgamation as expeditiously as practicable and use all commercial best efforts to do so in accordance with the Timetable, including taking each of the following steps:

(a) Nkwe shall consult with BidCo on all aspects of communications with Governmental Entities in relation to the Amalgamation and, as expeditiously as practicable:

(1) apply for the Nkwe Regulatory Approvals and provide BidCo with a copy of all applications lodged;

(2) respond to requests for information from the relevant Governmental Entities in relation to the Nkwe Regulatory Approvals at the earliest practicable time;

(3) provide BidCo with all information reasonably requested in connection with the applications for Gold Mountains Regulatory Approvals; and

(4) so far as it is able to do so, at BidCo's request, allow representatives of BidCo the opportunity to be present at any meetings with any Governmental Entities about the Nkwe Regulatory Approvals;

(b) Nkwe shall commission the preparation of the Fairness Opinion and provide all assistance and information reasonably required by the Independent Financial Expert to enable it to prepare the Fairness Opinion.

(c) Nkwe shall provide BidCo with a final copy of the Fairness Opinion as expeditiously as practicable following its consideration by the Board.

(d) Nkwe shall, as expeditiously as practicable following the date of this Agreement, prepare and finalise the Circular and Notice of the SGM including a recommendation from the Independent Nkwe Directors to Nkwe Shareholders to vote in favour of the Amalgamation, in the absence of a Superior Proposal and subject to the Fairness Opinion concluding and continuing to conclude that the Amalgamation Consideration constitutes fair value (being within any fair value range as assessed by the Independent Financial Expert) for each Nkwe Share.

(e) Nkwe shall as expeditiously as practicable following the finalisation of the Notice of SGM and the Circular and receipt of prior written consent from BidCo to the inclusion of any information regarding Gold Mountains or BidCo dispatch a copy of the Notice of SGM to each Nkwe Shareholder.

(f) Subject to all Applicable Laws, provide BidCo with such information and assistance as BidCo may reasonably request from time to time for the purpose of soliciting votes in favour of the Amalgamation.

(g) The Circular shall include copies of:

(1) a letter from the Chairman of Nkwe to the Nkwe Shareholders explaining this Agreement and the Amalgamation;

(2) this Agreement;

(3) the Notice of SGM in the form contained in the Circular;

(4) the Form of Proxy; and

(5) the Fairness Opinion.

(h) Following the SGM and not later than 5.00 pm on that Business Day, Nkwe shall:

(1) deliver to BidCo a certificate setting out the voting results from the SGM; and

(2) announce on each relevant securities exchange the voting results of the SGM.

(i) Nkwe shall procure that, subject only to there being reasonable grounds for such officer to believe the statements set out in paragraphs (a) to (c) inclusive of Section 108(3) of the Companies Act, one of its officers makes the declarations of solvency in relation to Nkwe and the Amalgamated Company required by section 108(3) of the Companies Act and substantially in the form at Schedule 5 attached hereto.

8.5 **Joint Obligations of BidCo and Nkwe**

On or as soon as is reasonably practicable after the satisfaction or waiver of the Conditions, BidCo and Nkwe shall make a joint application to the Registrar of Companies and shall deliver all supporting documentation and consents required by the Registrar of Companies to register the Amalgamation pursuant to the Companies Act (the "**Amalgamation Application**"), provided that BidCo and Nkwe shall have provided the Amalgamation Application in draft form to the Registrar of Companies at least one (1) Business Day prior to the Effective Day in accordance with Clause 2(c).

8.6 **Guarantee by Zijin**

(a) Zijin unconditionally and irrevocably guarantees to Nkwe on demand, the due and punctual performance of Gold Mountains' and BidCo's obligations under this Agreement.

(b) This clause 8.6 is a principal obligation and is not to be treated as ancillary or collateral to any other right or obligation and extends to cover this Agreement as amended, varied, supplemented, renewed or replaced.

(c) Zijin has no right to set off, deduct or withhold any moneys that it may be or become liable to pay under this clause 8.6, against any moneys that Nkwe may be, or become, liable to pay to Gold Mountains and BidCo whether under this Agreement or otherwise.

(d) This clause 8.6 is a continuing obligation of Zijin and remains in full force and effect for so long as Gold Mountains or BidCo has any liability or obligation to Nkwe under this Agreement and until all of those liabilities or obligations have been fully discharged.

(e) Zijin represents and warrants that it has the power and authority, and has taken all corporate action necessary to execute and deliver, and to perform its obligations under, this Agreement.

9. Conversion and Cancellation of Shares

(a) Subject to the terms and conditions of this Agreement, at the Effective Time, by virtue of the Amalgamation and without any action on the part of Gold Mountains, BidCo, or Nkwe, the Nkwe Shareholders or the holders of any issued share of BidCo, the following shall occur:

(1) Subject to Clauses 9(a)(2) and 9(a)(3), each Nkwe Share issued and outstanding immediately prior to the Effective Time shall be cancelled and converted automatically into the right to receive the Amalgamation Consideration. The settling of the Amalgamation Consideration shall be processed in accordance with Clause 10.

(2) Each Dissentient Share shall be cancelled and thereafter shall represent only the right to receive the fair value thereof as appraised by the Court on the application of a Dissentient Shareholder under Section 106(6) of the Companies Act, and any such fair value shall be paid by BidCo or Amalgamated Company (as applicable) subject to and in accordance with Clause 9(b) and Clause 10.6.

(3) Notwithstanding anything in this Agreement to the contrary, each Excluded Share shall, by virtue of the Amalgamation and without any further action on the part of the holder of the Excluded Shares, be cancelled and shall cease to exist and no Amalgamation Consideration shall be delivered in respect of the Excluded Shares.

(4) Each BidCo Share issued and outstanding immediately prior to the Effective Time shall be converted into and become a share of the Amalgamated Company which shall be wholly owned (directly or indirectly) by Gold Mountains.

(b) Nkwe shall give BidCo:

(1) prompt notice of:

(A) any demands for appraisal of Dissentient Shares or attempted withdrawal or withdrawals of such demands received by Nkwe and any

other instruments served under the Companies Act and received by Nkwe relating to any Dissentient Shareholder's right to be paid the fair value of such Dissentient Shareholder's Dissentient Shares; and

(B) to Nkwe's knowledge, any applications to the Supreme Court of Bermuda for appraisal of the fair value of the Dissentient Shares; and

(2) to the extent permitted by Applicable Law, the opportunity to participate with Nkwe in any and all negotiations and proceedings with respect to any written demands for appraisal under the Companies Act.

(c) Neither Nkwe nor BidCo shall, without the prior written consent of the other Party, voluntarily make any payment with respect to, or settle, or offer to settle, any such demands or applications, or waive any failure to timely deliver a written demand for appraisal or timely take any other action to perfect appraisal rights in accordance with the Companies Act.

10. Settlement Procedures

10.1 Paying Agent

Prior to the Effective Time, BidCo shall:

(a) appoint a bank or trust company approved in writing in advance by Nkwe (**Paying Agent**), such approval not to be unreasonably withheld; and

(b) enter into a paying agent agreement, in form and substance reasonably acceptable to Nkwe, with such Paying Agent for the payment of the Amalgamation Consideration in accordance with this Clause 10.

10.2 Exchange Fund Establishment

(a) As soon as practical following the Conditions Fulfilment Date, and in any case prior to or promptly at the Effective Time, BidCo or the Amalgamated Company (as applicable) shall deposit, or cause to be deposited, with the Paying Agent, cash in immediately available funds (such cash so deposited pursuant to this Clause being hereinafter referred to as the **Exchange Fund**):

(1) for the benefit of the Amalgamation Participants, in an amount sufficient to pay the aggregate amount of the Amalgamation Consideration; and

(2) for the benefit of the Dissentient Shareholders, in an amount sufficient to pay not less than the aggregate amount of the Amalgamation Consideration representing the minimum amount payable to the Dissentient Shareholders.

(b) The Exchange Fund shall not be used for any other purpose, except as provided in this Agreement.

(c) No interest shall be paid or accrued for the benefit of the Amalgamation Participants on cash amounts payable pursuant to this Clause 10.2.

(d) The Paying Agent shall invest the Exchange Fund as directed by BidCo or the Amalgamated Company (as applicable). Any interest and other income resulting from such investments shall be paid over promptly to the Amalgamated Company and any amounts in excess of the Amalgamation Consideration shall be promptly returned to the Amalgamated Company. To the extent that there are any losses with respect to any such investments, or the Exchange Fund diminishes for any reason below the level required for the Paying Agent to make prompt payment of the aggregate

Amalgamation Consideration, the Amalgamated Company shall promptly replace or restore the cash in the Exchange Fund so as to ensure that the Exchange Fund is at all times maintained at a level sufficient for the Paying Agent to pay the aggregate Amalgamation Consideration.

10.3 **Dispatch of Instructions to Amalgamation Participants**

As promptly as practicable following the Effective Time, the Amalgamated Company (as applicable) shall cause the Paying Agent to mail to each Amalgamation Participant:

(a) a letter of transmittal (which shall be in customary form and shall specify that delivery shall be effected, and risk of loss and title to the Nkwe Shares shall pass, only upon proper delivery of the Nkwe Shares to the Paying Agent); and

(b) instructions for use in effecting the surrender of the Nkwe Shares in exchange for the Amalgamation Consideration.

10.4 **Requirements for receiving Amalgamation Consideration**

(a) Each Amalgamation Participant shall be entitled to receive the Amalgamation Consideration upon surrender of title to the Nkwe Shares previously held by the Amalgamation Participant at the Record Date by receipt by the Paying Agent of such other documents as may be required pursuant to the instructions set out in the Circular.

(b) Until surrendered, each Nkwe Share shall be deemed at all times after the Effective Time to represent only the right to receive upon such surrender the Amalgamation Consideration to which the holder of the Nkwe Share is entitled. No interest shall be paid or will accrue on any cash payable to holders of Nkwe Shares.

10.5 **Provision of Amalgamation Consideration**

Subject to Clause 10, the Amalgamated Company must instruct the Paying Agent to, as soon as practicable after the Effective Time, and in any event no later than ten (10) Business Days after the Effective Time, pay or procure the payment of the Amalgamation Consideration from the Exchange Fund subject to the following:

(a) where an Amalgamation Participant has, before the Record Date:

(1) made a valid election to receive dividend payments from Nkwe by electronic funds, transfer to a bank account nominated by the Amalgamation Participant; or

(2) made a valid election in accordance with the instructions set out in the Notice of SGM,

paying, or procuring the payment of, the relevant amount to the Amalgamation Participant by electronic means in accordance with that election; or

(b) otherwise, whether or not the Amalgamation Participant has made an election referred to in Clause 10.5(a), dispatching, or procuring the dispatch of, a cheque for the relevant amount by prepaid post to their registered address, such cheque being drawn in the name of the Amalgamation Participant (or in the case of joint holders, in accordance with the procedures set out in Clause 10.7).

Notwithstanding the foregoing, Clause 10.5 does not apply to an Amalgamation Participant where the Amalgamated Company believes that such Amalgamation Participant is not known at their registered office or fails to comply with the provisions of Clause 10.4.

10.6 **Dissentient Shareholders**

Any Dissentient Shareholder shall be paid the fair value of the Dissentient Shares, as determined by the Court under Section 106 of the Companies Act, within one (1) month of the final Court appraisal of the fair value of such Dissentient Shares. No interest shall be paid or will accrue on any cash payable to holders of Nkwe Shares. For the avoidance of doubt, to the extent the appraised fair value of a Dissentient Share is less than the Amalgamation Consideration otherwise payable to such Dissentient Shareholder for his or her or its Dissentient Shares, the Dissentient Shareholder shall nevertheless be entitled to the Amalgamation Consideration.

BidCo or the Amalgamated Company (as applicable) must instruct the Paying Agent to, within one (1) month of the final Court appraisal of the fair value of the Dissentient Shares, pay or procure the payment of the Court appraisal of the fair value of the Dissentient Shares from the Exchange Fund, subject to the following:

(a) where a Dissentient Shareholder has, before the Record Date made a valid election in accordance with the instructions set out in the Notice of SGM paying, the relevant amount to the Dissentient Shareholder by electronic means in accordance with that election; or

(b) otherwise, dispatching, or procuring the dispatch of, a cheque for the relevant amount by prepaid post to their registered address, such cheque being drawn in the name of the Dissentient Shareholder (or in the case of joint holders, in accordance with the procedures set out in Clause 10.7).

10.7 **Joint Holders**

In the case of Amalgamation Participants who formerly held Nkwe Shares in their joint names:

(a) the Amalgamation Consideration will be payable to the joint holders and any cheque required to be sent under the Amalgamation will be made payable to the joint holders and sent to either, at the sole discretion of the Paying Agent, the holder whose name appears first in the Nkwe Share Register as at the Record Date or to the joint holders; and

(b) any other document required to be sent under the Amalgamation will be forwarded to either, at the sole discretion of the Paying Agent, the holder whose name appears first in the Nkwe Share Register as at the Record Date or to the joint holders.

10.8 **Unclaimed Funds**

(a) Any portion of the Exchange Fund that remains undistributed to the Amalgamation Participants six (6) months after the Effective Time shall be delivered to the Amalgamated Company, upon demand, and any Amalgamation Participants who have not theretofore complied with this Clause 10 shall thereafter look only to the Amalgamated Company for, and the Amalgamated Company, subject to Clause 10.9, shall remain liable for, payment of their claim for the Amalgamation Consideration.

(b) Any portion of the Exchange Fund remaining unclaimed by any Amalgamation Participants as of a date which is six (6) years from the Effective Time shall, to the extent permitted by Applicable Law, become the property of the Amalgamated Company free and clear of any claims or interest of any Person previously entitled thereto.

10.9 **Cash delivered to Public Officials**

Neither the Paying Agent nor the Amalgamated Company shall be liable to any Nkwe Shareholder for any cash delivered to a public official pursuant to any abandoned property, escheat or similar law.

10.10 **Deductions**

(a) Each of the Paying Agent and the Amalgamated Company shall be entitled to deduct and withhold from the Amalgamation Consideration otherwise payable pursuant to this Agreement to any Amalgamation Participants such amounts as it is required to deduct and withhold with respect to such payment under all applicable tax laws and pay such withholding amount over to the appropriate taxing authority, provided that: at least five (5) Business Days prior to deducting or withholding any amount (other than any employment taxes and where providing advance notice is not possible due to a change in law), the Paying Agent or the Amalgamated Company (as applicable) shall notify the Amalgamation Participants in writing of its intention to withhold or deduct such amounts and the Parties shall use reasonable efforts to avoid or minimise such withholding or deduction to the extent permitted under law.

(b) To the extent that amounts are so properly withheld by the Paying Agent or the Amalgamated Company, as the case may be, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Amalgamation Participants in respect of which such deduction and withholding was made by the Paying Agent or the Amalgamated Company, as the case may be.

11. Untraceable Shareholders

(a) An Amalgamation Participant or a Dissentient Shareholder shall be deemed to be untraceable (**Untraceable Shareholder**), if:

(1) he has no registered address in the Nkwe Share Register maintained by or on behalf of Nkwe; or

(2) the Circular and Notice of SGM has been sent to a Nkwe Shareholder and has been returned undelivered; or

(3) on the last two (2) consecutive occasions, correspondence sent by or on behalf of Nkwe has been returned undelivered.

(b) Monies due to an Untraceable Shareholder and any monies which are returned shall be held by the Amalgamated Company in a separate non-interest bearing bank account for the benefit of the Untraceable Shareholders. Monies unclaimed after a period of six (6) years from the Effective Date shall be forfeited and shall revert to the Amalgamated Company. Untraceable Shareholders who subsequently wish to receive any monies otherwise payable in respect of the Amalgamation within applicable time limits or limitation periods shall contact the Amalgamated Company.

12. Termination

(a) This Agreement shall (unless the Parties otherwise agree in writing) terminate prior to the Amalgamation becoming Effective in accordance with its terms on the earliest to occur of:

(1) if by the Conditions Fulfilment Date, a Condition is not satisfied and, if capable of being waived, is not waived in accordance with Clause 4;

(2) the resolution approving the Amalgamation is not passed at the SGM;

(3) Nkwe serving notice in writing to BidCo and Gold Mountains to terminate this Agreement following a material breach of this Agreement by BidCo or Gold Mountains, if such breach has not been cured to the satisfaction of Nkwe prior to the date that is thirty (30) days from the date that BidCo or Gold Mountains is notified in writing by Nkwe of such breach or failure to perform;

(4) Nkwe receiving a bona fide competing proposal to acquire control of Nkwe (i) that would, if completed substantially in accordance with its terms, be more favourable to Nkwe Shareholders (as a whole) than the Amalgamation taking into account all terms and conditions of the competing proposal (**Superior Proposal**); (ii) acting in good faith, the Independent Nkwe Directors determine, after taking advice from Nkwe's legal and financial advisers, that failing to respond to such competing proposal would be likely to constitute a breach of the fiduciary duties or statutory obligations of any member of the Board; and (iii) which the Independent Nkwe Directors publicly recommend that Nkwe Shareholders should accept or support;

(5) BidCo electing to serve notice in writing to Nkwe to terminate this Agreement in the event that the total number of Nkwe Shares held by Dissentient Shareholders at the end of the applicable dissenting period, is greater than ten percent (10%) of Nkwe Shares and termination under this clause will take effect only upon such written notice being served on Nkwe;

(6) the Amalgamation is not Effective by the Sunset Date.

(b) Subject to Clause 12(c), if this Agreement is terminated, this Agreement shall become void and have no further force or effect, without any liability or obligation on the part of any Party, other than in relation to rights and obligations that accrued prior to termination and other than in relation to the provisions of this clause 12 and of clauses 1, 8.6, 13, 14 and 15 which will remain in force after termination.

(c) The termination of this Agreement shall not affect any claim that a Party may have against another Party where that claim arose before this Agreement terminated.

(d) No Party to this Agreement may terminate this Agreement or the Amalgamation at any time other than as expressly set out in this Agreement.

13. Notices

13.1 Form

Any notice or other communication to or by any Party under this Agreement must be:

(a) in writing and in the English language;

(b) addressed to the address of the recipient in Clause 13.4 or to any other address as the recipient may have notified the sender; and

(c) signed by an Authorised Officer of the sender.

13.2 Manner

In addition to any other method of service authorised by law, the notice may be:

(a) personally served on a Party;

(b) left at the Party's current address for service;

(c) sent to the Party's current address for service by prepaid ordinary mail or if the address is outside Australia by prepaid airmail;

(d) sent by facsimile to the Party's current numbers for service; or

(e) sent by electronic mail to the Party's electronic mail address.

13.3 **Time**

If a notice is sent or delivered in the manner provided in Clause 13.2 it must be treated as given to or received by the addressee in the case of:

(a) delivery in person, when delivered;

(b) delivery by post:

(1) in Australia to an Australian address, the fourth Business Day after posting; or

(2) in any other case, on the tenth Business Day after posting;

(c) facsimile, when a transmission report has been printed by the sender's facsimile machine stating that the document has been sent to the recipient's facsimile number; or

(d) electronic mail, when the sender's computer reports that the message has been delivered to the electronic mail address of the addressee,

but if delivery is made after 5.00pm on a Business Day at the place where delivery is being made it must be treated as received on the next Business Day in that place.

13.4 **Initial Details**

The addresses and numbers for service are initially:

Gold Mountains:

Address: Unit 7503A, Level 75, International Commerce Centre, 1 Austin Road, West, Kowloon, Hong Kong

Facsimile: 852-2803 0878

Electronic Mail: edward@zijinmining.com.hk

Attention: Edward Ho

BidCo:

Address: c/o BeesMont Corporate Services Limited, 5th Floor, Andrew's Place, 51 Church Street, Hamilton HM 12, Bermuda

Facsimile: +1 441 236 1999

Electronic Mail: sabeesley@beesmont.bm

Attention: Sharon Beesley

Zijin:

Address: 41/F, Tower B, AVIC ZIJIN PLAZA, 1811 Huandao East Road, Siming District, Xiamen, PRC 361008

Facsimile: +86-05922933580

Electronic Mail: lq@zijinmining.com

Attention: Liu Qiang

Nkwe:

Address: Clarendon House, 2 Church Street, Hamilton, Bermuda

Facsimile: + 61 8 9481 3813

Electronic Mail: scottl@nkweplatinum.co.za

Attention: Xin Li (Scott)

13.5 **Changes**

A Party may from time to time change its address or numbers for service by notice to each other Party.

14. Governing Law and Jurisdiction

14.1 **Governing Law**

This Agreement is governed by, and construed in accordance with, the laws of Bermuda.

14.2 **Jurisdiction**

Each Party irrevocably:

(a) submits to the non-exclusive jurisdiction of the courts of Bermuda and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this Agreement; and

(b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within paragraph 14.2(a).

15. Miscellaneous

15.1 **Exercise Rights**

A single or partial exercise or waiver by a Party of any right under or relating to this Agreement will not prevent any other exercise of that right or the exercise of any other right.

15.2 **Moratorium Legislation**

Any law which varies prevents or prejudicially affects the exercise by a Party of any right, power or remedy conferred on it under this Agreement is excluded to the extent permitted by Applicable Law.

15.3 **No Assignment**

A Party must not assign, transfer or novate all or any part of its rights or obligations under or relating to this Agreement or grant, declare, create or dispose of any right or interest in it, without the prior written consent of each other Party.

15.4 **Remedies Cumulative**

The rights and remedies under this Agreement are cumulative and not exclusive of any rights or remedies provided by Applicable Law.

15.5 **Severability**

If a provision of this Agreement is illegal, invalid, unenforceable or void in a jurisdiction it is severed for that jurisdiction and the remainder of this Agreement has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This Clause has no effect if the severance alters the basic nature of this Agreement or is contrary to public policy.

15.6 **Further Assurance**

Each Party must use commercially reasonable efforts to promptly at its own cost do all things (including executing and delivering all documents) necessary or desirable to give full effect to this Agreement and the transactions contemplated by it.

15.7 **Costs**

Each Party is responsible for all its own costs incurred in the negotiation and performance of this Agreement including legal costs.

15.8 **Time**

(a) Time is of the essence of this Agreement.

(b) If the Parties agree to vary a time requirement, the time requirement so varied is of the essence of this Agreement.

(c) An agreement to vary a time requirement must be in writing.

15.9 **Variation**

An amendment or variation to this Agreement is not effective unless it is in writing and signed by the Parties.

15.10 **Waiver**

(a) A Party's waiver of a right under or relating to this Agreement, whether prospectively or retrospectively, is not effective unless it is in writing and signed by that Party.

(b) No other act, omission or delay by a Party will constitute a waiver of a right.

15.11 **Counterparts**

This Agreement may be executed in any number of counterparts each of which will be considered an original but all of which will constitute one and the same instrument. A Party who has executed a counterpart of this Agreement may deliver it to, or exchange it with, another Party by:

(a) faxing; or

(b) emailing a pdf (portable document format) copy of,

the executed counterpart to that other Party.

15.12 **Whole Agreement**

This Agreement:

(a) is the entire agreement and understanding between the Parties relating to the subject matter of this Agreement; and

(b) supersedes any prior agreement, representation (written or oral) or understanding on anything connected with that subject matter.

IN WITNESS WHEREOF this Agreement has been duly executed and delivered as a deed by the parties hereto on the date first above written.

Executed and Delivered as a Deed by Gold Mountains (H.K.) International Mining Company Limited CRN 0931321

Director/Sole Director/Sole Director and Secretary

Director/Secretary (if applicable)

Qiu Guozhu

Print full name of Director/Sole Director

Fan Cheung Man

Print full name of Director/Secretary

in the presence of:

Witness Name: Ho Kin Wai

Witness Address: Unit 7103A, Level 71, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong

Executed and Delivered as a Deed by Gold Mountains (Bermuda) Investment Limited Bermuda Registration Number 53596

Director/Sole Director/Sole Director and Secretary

Director/Secretary (if applicable)

Fan Cheung Man

Print full name of Director/Sole Director

Yiu Kai

Print full name of Director/Secretary

in the presence of:

Witness Name: Ho Kin Wai

Witness Address: Unit 7103A, Level 71, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong

Amalgamation Agreement

Executed and Delivered as a Deed by Zijin Mining Group Co Limited

Director/Sole Director/Sole Director and Secretary

Director/Secretary (if applicable)

Print full name of Director/Sole Director

Print full name of Director/Secretary

in the presence of:

Witness Name: Rongfei Zhong

Witness Address: 41/F, Tower B, AVIC Zijin Plaza, 1811 Huandao East Road, Siming District, Xiamen, 361008, PRC

Executed and Delivered as a Deed by Nkwe Platinum Limited Bermuda Registration Number 32747 and ARBN 105 979 646

Director/Sole Director/Sole Director and Secretary

Director/Secretary (if applicable)

Print full name of Director/Sole Director

Print full name of Director/Secretary

in the presence of:

Witness Name:

Witness Address:

Executed and Delivered as a Deed by Zijin Mining Group Co Limited

Director/Sole Director/Sole Director and Secretary

Director/Secretary (if applicable)

Print full name of Director/Sole Director

Print full name of Director/Secretary

in the presence of:

Witness Name:

Witness Address:

Executed and Delivered as a Deed by Nkwe Platinum Limited Bermuda Registration Number 32747 and ARBN 105 979 646

Director/~~Sole Director/Sole Director and Secretary~~

Director/~~Secretary~~ (if applicable)

Neville Bergin

Print full name of Director/Sole Director

RICHARD JOHN O'SHANNASSY

Print full name of Director/Secretary

in the presence of:

Witness Name: VANESSA ROZALIA MATHER

Witness Address: C/O LEVEL 3, 46 ORD ST WEST PERTH WA

Schedule 1 – Memorandum of Association of Amalgamated Company

FORM No. 2

BERMUDA

THE COMPANIES ACT 1981

MEMORANDUM OF ASSOCIATION OF COMPANY LIMITED BY SHARES
Section 7(1) and (2)

MEMORANDUM OF ASSOCIATION

OF

Gold Mountains (Bermuda) Investment Limited

(hereinafter referred to as the "**Company**")

1. The liability of the members of the Company is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.

2. We, the undersigned, namely,

Name and Address	Bermudian Status (Yes or No)	Nationality	Number of Shares Subscribed
Sharon A. Beesley 5th Floor, Andrew's Place 51 Church Street Hamilton HM 12 Bermuda	No	British	1
Rovonne Sampson 5th Floor, Andrew's Place 51 Church Street Hamilton HM 12 Bermuda	Yes	British / Bermudian	1

do hereby respectively agree to take such number of shares of the Company as may be allotted to us respectively by the provisional directors of the Company, not exceeding the number of shares for which we have respectively subscribed, and to satisfy such calls as may be made by the directors, provisional directors or promoters of the Company in respect of the shares allotted to us respectively.

3. The Company is to be an **exempted** Company as defined by the Companies Act 1981, as amended (**Companies Act**).

4. The Company, with the consent of the Minister of Finance, has power to hold land situate in Bermuda not exceeding ___ in all, including the following parcels:

None

5. The authorised share capital of the Company is US$1,000.00 divided into one thousand (1,000) Common Shares of par value US$1.00 each.

6. The objects for which the Company is formed and incorporated are unrestricted.

7. Subject to paragraph 4, the Company may do all such things as are incidental or conducive to the attainment of its objects and shall have the capacity, rights, powers and privileges of a natural person, including (without limitation) the power, subject to the Companies Act, to:

   (a) issue preference shares which are, at the option of the holder, liable to be redeemed;

   (b) purchase its own shares for cancellation; and

   (c) acquire its own shares to be held as treasury shares.

Signed by each subscriber in the presence of at least one witness attesting the signature thereof:

Sharon A. Beesley

(Witness)

Rovonne Sampson

(Witness)

SUBSCRIBED this 11 day of May, 2018

Schedule 2 – Bye-Laws of Amalgamated Company

BYE-LAWS

OF

Gold Mountains (Bermuda) Investment Limited

BeesMont Corporate Services Limited HEREBY CERTIFIES that the within written Bye-laws are a true copy of the Bye-laws of Gold Mountains (Bermuda) Investment Limited as subscribed by the majority of the subscribers to the memorandum of association and approved at the statutory general meeting of the above company on the ____ day of _____, 2018.

For and on behalf of BeesMont Corporate Services Limited
acting in its capacity as secretary

_____
Rovonne Sampson
Authorised Signatory

TABLE OF CONTENTS

INTERPRETATION

1. DEFINITIONS

1.1 In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Alternate Director	such person or persons who shall be appointed as an alternate director in accordance with these Bye-laws.
Auditor	includes an individual or partnership.
Board	the board of Directors of the Company appointed or elected pursuant to these Bye-laws or the directors present at a meeting of Directors at which there is a quorum.
Bye-laws	these Bye-laws in their present form or as they may be amended from time to time.
Company	Gold Mountains (Bermuda) Investment Limited, incorporated in Bermuda on the 10th day of May, 2018.
Companies Acts	the Companies Act 1981 as amended from time to time, the Registrar of Companies (Compliance Measures) Act 2017 as amended from time to time, and any other legislation affecting Bermuda companies from time to time.
Director	such person or persons who shall be elected or appointed from time to time as a director of the Company in accordance with these Bye-laws or the Companies Acts and includes any Alternate Director.
Notice	written notice as further provided in these Bye-laws unless otherwise specifically stated.
Officer	any person appointed by the Board to hold an office in the Company.
Register of Beneficial Owners	the register of beneficial owners referred to in these Bye-laws.
Register of Directors and Officers	the register of directors and officers referred to in these Bye-laws.
Register of Shareholders	the register of shareholders referred to in these Bye-laws.
Registered Office	the registered office of the Company from time to time.
Registrar	the Registrar of Companies appointed in accordance with the Companies Acts or such other person as may be performing his duties under the Companies Acts.
Resident Representative	any person appointed to act as resident representative and includes any deputy or assistant resident representative.

Seal	the common seal of the Company, if any, and includes and duplicate thereof.
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary.
Shareholder	the person registered in the Register of Shareholders as a shareholder of the Company and, when two (2) or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Shareholders as one of such joint holders or all of such persons, as the context so requires.
Treasury Share	a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled

1.2 In these Bye-laws, where not inconsistent with the context:

(a) words denoting the plural number include the singular number and vice versa;

(b) words denoting the masculine gender include the feminine and neuter genders;

(c) words importing persons include any individual, partnership, company, association or body of persons whether corporate or unincorporated;

(d) the words:

(i) "may" shall be construed as permissive;

(ii) "shall" shall be construed as imperative;

(e) unless otherwise provided herein, words or expressions defined in the Companies Acts shall bear the same meaning in these Bye-laws; and

(f) references to "**month**" or "**quarter**" shall be to calendar month or quarter, as the case may be, unless otherwise specified.

1.3 For the purposes of these Bye-laws a company shall be deemed to be present in person if its representative(s) duly authorised pursuant to the Companies Acts is present.

1.4 In these Bye-laws expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

1.5 References in these Bye-laws to any statute or statutory provision shall include any statute or statutory provision which amends, extends, consolidates or replaces the same, or which has been amended, extended, consolidated or replaced by the same, and shall include any orders, regulations instruments or other subordinate legislation made under the relevant statute.

1.6 Any words or expressions defined in the Companies Acts in force at the date when these Bye-laws or any part thereof are adopted shall bear the same meaning in these Bye-laws or such part (as the case may be).

1.7 Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. SHARE CAPITAL

The share capital of the Company, at the date of adoption of these Bye-laws is US$1,000.00 divided into one thousand (1,000) Common Shares of US$1.00 each.

3. POWER TO ISSUE SHARES

3.1 Subject to the provisions of these Bye-laws, the unissued shares of the Company (whether forming part of the original capital or any increased capital) shall be at the disposal of the Board which shall have the power to offer, allot, grant options over or otherwise dispose of them on such terms and conditions and with such rights and restrictions as the Board may determine. Subject to the provisions of these Bye-laws and the Companies Acts, the Company may issue shares on terms that they are:

(a) to be redeemed on the happening of a specified event or on a given date; and/or

(b) liable to be redeemed at the option of the Company; and/or

(c) liable to be redeemed at the option of the holder.

The terms and manner of redemption may be determined by the Board.

4. POWER OF THE COMPANY TO PURCHASE ITS SHARES

4.1 The Company may purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the Companies Acts on such terms as the Board shall think fit.

4.2 The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Companies Acts.

5. RIGHTS ATTACHING TO SHARES

5.1 Subject to any special rights conferred on the holders of any share or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine.

5.2 Subject to any resolution of the Shareholders to the contrary or as otherwise set out in these Bye-laws, the holders of the common shares shall:

(a) be entitled to one (1) vote per share;

(b) be entitled to such dividends as the Board may from time to time declare;

(c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and

(d) generally be entitled to enjoy all of the rights attaching to shares.

5.3 The Board may in connection with the issue of any shares exercise all powers of paying commission and brokerage permitted or conferred by law.

5.4 All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share. Without limiting the generality of the foregoing, if the Company holds Treasury Shares, the Company shall not have any right to attend and vote at a general meeting or sign written resolutions and any purported exercise of such a right is void. Except where required by the Companies Acts, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.

6. **LIEN**

6.1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable, at a date fixed by or in accordance with the terms of issue of such share in respect of such share, and the Company shall also have a first and paramount lien on every share standing registered in the name of a Shareholder, whether singly or jointly with any other person, for all the debts and liabilities of such Shareholder or his estate to the Company, whether the same shall have been incurred before or after notice to the Company of any interest of any person other than such Shareholder, and whether the time for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Shareholder or his estate and any other person, whether a Shareholder or not. The Company's lien on a share shall extend to all dividends payable thereon. The Board may at any time, either generally or in any particular case, waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this Bye-law.

6.2 The Company (subject to compliance with Bye-law 13) may sell, in such manner as the Board may think fit, any share on which the Company has a lien provided that no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen (14) days after a notice in writing has been served on the holder for the time being of the share, stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default of such payment.

6.3 The net proceeds of sale by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the holder of the share immediately before such sale. For giving effect to any such sale the Board may authorise some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the sale.

7. **CALLS ON SHARES**

7.1 The Board may make such calls as it thinks fit upon the Shareholders in respect of any moneys (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Shareholders and each Shareholder shall (subject to the Company serving upon him at least fourteen (14) days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.

7.2 If a call is not paid on or before the day appointed for payment thereof, the Shareholder may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment.

7.3 The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.

7.4 The joint holders of a share shall be jointly and severally liable to pay all calls and any interest, costs and expenses in respect thereof.

7.5 The Company may accept from any Shareholder the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up.

8. FORFEITURE OF SHARES

8.1 If any Shareholder fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Shareholder, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Shareholder a notice in writing in the form set out in Appendix I, or as near thereto as circumstances admit, or in such other form as the Board may accept.

8.2 If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine. Without limiting the generality of the foregoing, the disposal may take place by sale, repurchase, redemption or any other method of disposal permitted by and consistent with these Bye-laws and the Companies Acts.

8.3 A Shareholder whose share or shares have been so forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture, together with all interest due thereon and any costs and expenses incurred by the Company in connection therewith. Such forfeiture shall include any dividend that is declared in respect of the forfeited shares, but not actually paid before the forfeiture, provided that the Board may, without being under any obligation to do so, resolve to apply the amount of the unpaid dividend against the amount of the call, interest, costs and expenses owing in relation to the forfeited shares.

8.4 The Board may accept the surrender of any shares which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

9. SHARE CERTIFICATES

9.1 Every Shareholder shall be entitled to a certificate under the Seal or bearing the signature (or a facsimile thereof) of a Director or the Secretary or a person expressly authorised to sign specifying the number and, where appropriate, the class of shares held by such Shareholder and whether the same are fully paid up and, if not, specifying the amount paid on such shares. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.

9.2 The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the shares have been allotted.

9.3 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.

10. FRACTIONAL SHARES

10.1 The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

REGISTRATION OF SHARES

11. REGISTERS OF SHAREHOLDERS AND BENEFICIAL OWNERS

11.1 The Board shall cause to be kept in one or more books a Register of Shareholders and a Register of Beneficial Owners and shall enter therein the particulars required by the Companies Acts.

11.2 The Register of Shareholders shall be open to inspection without charge at the Registered Office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two (2) hours in each business day be allowed for inspection. The Register of Shareholders may, after notice has been given in accordance with the Companies Acts, be closed for any time or times not exceeding in the whole thirty (30) days in each year.

12. REGISTERED HOLDER ABSOLUTE OWNER

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

13. TRANSFER OF REGISTERED SHARES

13.1 Subject to the Companies Acts, an instrument of transfer shall be in writing in the form set out in Appendix II, or as near thereto as circumstances admit, or in such other form as the Board may accept.

13.2 Such instrument of transfer shall be signed by or on behalf of the transferor and where a share is not fully paid the transferee. The transferor shall be deemed to remain the holder of such share until the same has been registered as having been transferred to the transferee in the Register of Shareholders.

13.3 The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Shareholder may transfer any such share to the executors or administrators of such deceased Shareholder.

13.4 The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share.

13.5 The Board may also refuse to register a transfer unless:-

(a) the instrument of transfer is duly stamped and lodged with the Company accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(b) the instrument of transfer is in respect of only one class of share; or

(c) applicable consents, authorisations and permissions of any governmental body or agency in Bermuda have been obtained.

13.6 If the Board refuses to register a transfer of any share the Secretary shall, within three (3) months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

13.7 No fee shall be charged by the Company for registering any transfer, probate, letters of administration, certificate of death or marriage, power of attorney, distringas or stop notice, order of court or other

instrument relating to or affecting the title to any share, or otherwise making an entry in the Register relating to any share.

13.8 Notwithstanding anything contained in these Bye-laws, the Directors shall not decline to register any transfer of shares, nor may they suspend registration thereof where such transfer is executed by any bank or other person to whom such shares have been charged by way of security, or by any nominee or agent of such bank or person, and whether the transfer is effected for the purpose of perfecting any mortgage or charge of such shares or pursuant to the sale of such shares under such mortgage or charge, and a certificate signed by any officer of such bank or by such person that such shares were so mortgaged or charged and the transfer was so executed shall be conclusive evidence of such facts.

14. TRANSMISSION OF REGISTERED SHARES

14.1 In the case of the death of a Shareholder, the survivor or survivors where the deceased Shareholder was a joint holder, and the legal personal representatives of the deceased Shareholder where the deceased Shareholder was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Shareholder's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Shareholder with other persons. Subject to the Companies Acts, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Shareholder or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Shareholder.

14.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of any Shareholder may be registered as a Shareholder upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in the form set out in Appendix III, or as near thereto as circumstances admit, or in such other form as the Board may accept. On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Shareholder. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Shareholder before such Shareholder's death or bankruptcy, as the case may be.

14.3 Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to such share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

15. UNTRACEABLE SHAREHOLDERS

15.1 The Company shall be entitled to sell at the best price reasonably obtainable at the time of sale the Shares of a Shareholder or the Shares to which a person is entitled by virtue of the transmission on death or bankruptcy etc. provided that:-

(a) during a period of seven (7) years no dividend in respect of such Shares has been claimed and all share certificates for Shares issued under a capitalisation issue have been returned to the Company unclaimed provided that at least two (2) payments of dividends and/or capitalisation issues have taken place in relation to the shares in question during such seven (7) year period;

(b) on expiry of the said period of seven (7) years the Company shall have published an advertisement in an Appointed Newspaper and also in a newspaper circulating in the area in which the last known address of the Shareholder or the address at which service of notice upon such Shareholder or other person may be effected in accordance with these Bye-laws, giving notice of its intention to sell the said Shares; and

(c) during the said period of seven (7) years and the period of three (3) months following the publication of the said advertisement the Company shall have received indication neither of the whereabouts nor of the existence of such Shareholder or person.

15.2 To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of the said Shares and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former Shareholder or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former Shareholder or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments as the Directors may from time to time think fit.

ALTERATION OF SHARE CAPITAL

16. POWER TO ALTER CAPITAL

16.1 The Company may if authorised by resolution of the Shareholders:-

(a) increase its authorised share capital by such amount to be divided into shares of such par value as the resolution of the Shareholders shall prescribe;

(b) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;

(c) consolidate and divide all or any of its share capital into shares of larger par value than its existing shares;

(d) sub-divide its shares or any of them into shares of smaller par value than is fixed by its Memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(e) make provision for the issue and allotment of shares which do not carry any voting rights;

(f) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled;

(g) change the currency denomination of its share capital; and

(h) subject to the Companies Acts, reduce its issued share capital, capital redemption reserve fund, share premium or contributed surplus account in any manner.

16.2 Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit.

17. VARIATION OF RIGHTS ATTACHING TO SHARES

17.1 If, at any time, the share capital is divided into different classes of shares, and subject to the Companies Acts, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of seventy-five per cent (75%) of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the

class at which meeting the necessary quorum shall be two (2) persons at least holding or representing by proxy one- third (1/3) of the issued shares of the class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

DIVIDENDS AND CAPITALISATION

18. DIVIDENDS

18.1 The Board may, subject to these Bye-laws and in accordance with the Companies Acts, declare a dividend to be paid to the Shareholders, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company.

18.2 The Board may fix any date as the record date for determining the Shareholders entitled to receive any dividend.

18.3 The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

18.4 The Board may declare and make such other distributions (in cash or in specie) to the Shareholders as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.

18.5 All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company as they shall think fit, until the same is claimed and so that the Company shall not thereby be constituted as a trustee in respect thereof. Any dividend unclaimed after a period of seven (7) years from the date for payment of such dividend shall automatically be forfeited and revert to the Company.

18.6 If either:-

(a) a payment for a dividend or other sum payable in respect of a share sent by the Company to the person entitled to it in accordance with these Bye-laws is left uncashed or is returned to the Company and, after reasonable enquiries, the Company is unable to establish any new address or, with respect to a payment to be made by a funds transfer system, a new account, for that person; or

(b) such a payment is left uncashed or returned to the Company on two (2) consecutive occasions,

then the Company shall not be obliged to send any dividends or other sums payable in respect of that share to that person until he notifies the Company of an address or, where the payment is to be made by a funds transfer system, details of the account, to be used for the purpose.

19. POWER TO SET ASIDE PROFITS

19.1 The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose.

20. METHOD OF PAYMENT

20.1 Any dividend, interest, or other moneys payable in cash in respect of the shares may be paid by cheque or draft sent through the post directed to the Shareholder at such Shareholder's address in the Register of Shareholders, or to such person and to such address as the holder may in writing direct.

20.2 In the case of joint holders of shares, any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the address of the holder first named in the Register of Shareholders, or to such person and to such address as the joint holders may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

20.3 The Board may deduct from the dividends or distributions payable to any Shareholder all moneys due from such Shareholder to the Company on account of calls or otherwise.

21. CAPITALISATION

21.1 The Board may capitalise any amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Shareholders.

21.2 The Board may capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by applying such amounts in paying up in full, partly or nil paid shares of those Shareholders who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

MEETINGS OF SHAREHOLDERS

22. ANNUAL GENERAL MEETINGS

22.1 Subject to Bye-law 22.2 below, the Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts at such times and places as the Board shall appoint.

22.2 The Company may, by resolution of the Company in general meeting, elect to dispense with the holding of annual general meetings (i) for the year in which it is made and any subsequent year or years (ii) for a specified number of years, or (iii) indefinitely and such election shall be subject to the provisions of the Companies Acts.

23. SPECIAL GENERAL MEETINGS

23.1 The Board may, whenever it thinks fit, and shall, when required by the Companies Acts, convene general meetings other than annual general meetings which shall be called special general meetings.

24. REQUISITIONED GENERAL MEETINGS

24.1 The Board shall, on the requisition of Shareholders holding at the date of the deposit of the requisition not less than one-tenth (1/10) of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings, forthwith proceed to convene a special general meeting and the provisions of the Companies Acts shall apply.

25. NOTICE OF GENERAL MEETINGS

25.1 At least five (5) days' notice of an annual general meeting and at least five (5) days' notice of a special general meeting shall be given to each Shareholder entitled to attend and vote thereat. The notice shall be exclusive of the day on which is served and the day for which it is given and state the date, place and time at which the meeting is to be held and in the case of a special general meeting, the general nature of the other business to be conducted at the meeting.

25.2 The Board may fix any date as the record date for determining the Shareholders entitled to receive notice of and to vote at any general meeting.

25.3 A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Shareholders entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Shareholders having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent (95%) in nominal value of the shares giving a right to attend and vote thereat in the case of a special general meeting.

25.4 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

26. GIVING NOTICE AND ACCESS

26.1 A notice may be given by the Company to a Shareholder:

(a) by delivering it to such Shareholder in person; or

(b) by sending it by letter mail or courier to such Shareholder's address in the Register of Shareholders; or

(c) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Shareholder to the Company for such purpose; or

(d) in accordance with Bye-law 26.4.

26.2 Any notice required to be given to a Shareholder shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Shareholders and notice so given shall be sufficient notice to all the holders of such shares.

26.3 Any notice (save for one delivered in accordance with Bye-law 26.4) shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier, or transmitted by electronic means.

26.4 Where a Shareholder indicates his consent (in a form and manner satisfactory to the Board), to receive information or documents by accessing them on a website rather than by other means, or receipt in this manner is otherwise permitted by the Companies Acts, the Board may deliver such information or documents by notifying the Shareholder of their availability and including therein the address of the website, the place on the website where the information or document may be found, and instructions as to how the information or document may be accessed on the website.

26.5 In the case of information or documents delivered in accordance with Bye-law 26.4, service shall be deemed to have occurred when (i) the Shareholder is notified in accordance with that Bye-law; and (ii) the information or document is published on the website.

27. POSTPONEMENT OF GENERAL MEETING

27.1 The Secretary may postpone any general meeting called in accordance with these Bye-laws (other than a meeting requisitioned under these Bye-laws) provided that notice of postponement is given to the Shareholders before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Shareholder in accordance with these Bye-laws.

28. ELECTRONIC PARTICIPATION IN MEETINGS

28.1 Shareholders may participate in any general meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other

simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

29. **QUORUM AT GENERAL MEETINGS**

29.1 At any general meeting two (2) or more persons present in person and representing in person or by proxy in excess of fifty per cent (50%) of the total issued voting shares in the Company throughout the meeting shall form a quorum for the transaction of business, provided that if the Company shall at any time have only one Shareholder, one Shareholder present in person or by proxy shall form a quorum for the transaction of business at any general meeting held during such time.

29.2 If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one (1) week later, at the same time and place or to such other day, time or place as the Secretary may determine. Unless the meeting is adjourned to a specific date, time and place announced at the meeting being adjourned, fresh notice of the resumption of the meeting shall be given to each Shareholder entitled to attend and vote thereat in accordance with these Bye-laws.

30. **CHAIRMAN TO PRESIDE AT GENERAL MEETINGS**

30.1 Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the Chairman, if there be one, shall act as chairman at all general meetings at which such person is present. In their absence a chairman shall be appointed or elected by those present at the meeting and entitled to vote.

31. **VOTING ON RESOLUTIONS**

31.1 Subject to the Companies Acts and these Bye-laws, any question proposed for the consideration of the Shareholders at any general meeting shall be decided by a simple majority of votes cast in accordance with these Bye-laws and in the case of an equality of votes the resolution shall fail.

31.2 No Shareholder shall be entitled to vote at a general meeting unless such Shareholder has paid all the calls on all shares held by such Shareholder.

31.3 At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to any rights or restrictions for the time being lawfully attached to any class of shares and subject to these Bye-laws, every Shareholder present in person and every person holding a valid proxy at such meeting shall be entitled to one (1) vote and shall cast such vote by raising his hand.

31.4 In the event that a Shareholder participates in a general meeting by telephone, electronic or other communication facilities or means, the chairman of the meeting shall direct the manner in which such Shareholder may cast his vote on a show of hands.

31.5 At any general meeting if an amendment is proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

31.6 At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Bye-laws, be conclusive evidence of that fact.

32. **POWER TO DEMAND A VOTE ON A POLL**

32.1 Notwithstanding the foregoing, a poll may be demanded by any of the following persons:

(a) the chairman of such meeting; or

(b) at least three (3) Shareholders present in person or represented by proxy; or

(c) any Shareholder or Shareholders present in person or represented by proxy and holding between them not less than one-tenth (1/10) of the total voting rights of all the Shareholders having the right to vote at such meeting; or

(d) any Shareholder or Shareholders present in person or represented by proxy holding shares in the Company conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10) of the total amount paid up on all such shares conferring such right.

32.2 Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one (1) vote for each share of which such person is the holder or for which such person holds a proxy and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Shareholders are present by telephone, electronic or other communication facilities or means, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way.

32.3 A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner during such meeting as the chairman (or acting chairman) of the meeting may direct. Any business other than that upon which a poll has been demanded may be conducted pending the taking of the poll.

32.4 Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone, electronic or other communication facilities or means shall cast his vote in such manner as the chairman shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by a committee of not less than two (2) Shareholders or proxy holders appointed by the chairman for the purpose and the result of the poll shall be declared by the chairman.

33. VOTING BY JOINT HOLDERS OF SHARES

33.1 In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Shareholders.

34. PROXY

34.1 Any Shareholder entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A Shareholder may appoint a proxy in respect of part only of his holding of shares and may appoint one or more proxies to attend on the same occasion.

34.2 The instrument appointing a proxy shall be in writing in the form set out in Appendix IV, or as near thereto as circumstances admit, or in such other form as the Board may accept. The Board may if it thinks fit, send out with the notice of any general meeting, the form(s) of proxy for use at that meeting.

34.3 Subject to Bye-law 34.6 the instrument appointing a proxy together with such other evidence as to its due execution as the Board may from time to time require, shall be deposited at the Registered Office (or at

such other place or in such manner as is specified in the notice convening the meeting or in any notice of adjournment or, in either case, in any document sent therewith) not less than twenty-four (24) hours (or, such shorter time as may be stated in the proxy circulated with the notice of meeting) before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, and an instrument appointing a proxy which is not received in the manner so prescribed shall be invalid save as aforesaid

34.4 A Shareholder who is the holder of two (2) or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.

34.5 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Registered Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other documents sent therewith) one (1) hour at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

34.6 Subject to the Companies Acts, the Board may at its discretion waive any of the provisions of these Bye-laws related to proxies or authorisations and, in particular, may accept such verbal or other assurances as it thinks fit as to the right of any person to attend and vote on behalf of any Shareholder at any general meetings. The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

34.7 Notwithstanding any other provision of these Bye-laws, any Shareholder may appoint an irrevocable proxy by depositing at the Registered Office an irrevocable proxy and such irrevocable proxy shall be valid for all general meetings and adjournments thereof, or resolutions in writing, as the case may be, until terminated in accordance with its own terms, or until written notice of termination is received at the Registered Office signed by the proxy. The instrument creating the irrevocable proxy shall recite that it is constituted as such and shall confirm that it is granted with an interest. The operation of an irrevocable proxy shall not be suspended at any general meeting or adjournment thereof at which the Shareholder who has appointed such proxy is present and the Shareholder may not specially appoint another proxy or vote himself in respect of any shares which are the subject of the irrevocable proxy.

35. REPRESENTATION OF CORPORATE SHAREHOLDER

35.1 Where any company is a Shareholder any of its officers or any other person duly authorised by a resolution of its directors or other governing body, may act as its representative(s) at any meeting of the Company. Any person so authorised shall be entitled to exercise the same powers on behalf of the corporate Shareholder which such person represents as that company could exercise if it were an individual Shareholder, and that Shareholder shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

35.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Shareholder.

35.3 The provisions of this Bye-law are in addition to, and not in derogation of, any right to appoint a proxy.

36. ADJOURNMENT OF GENERAL MEETING

36.1 The chairman of a general meeting may, with the consent of the Shareholders at any general meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Shareholder entitled to attend and vote thereat in accordance with these Bye-laws.

37. **WRITTEN RESOLUTIONS**

37.1 Subject to these Bye-laws, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Shareholders may, without a meeting be done by written resolution in accordance with this Bye-law.

37.2 Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all Shareholders who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Shareholder does not invalidate the passing of a resolution.

37.3 A written resolution is passed when it is signed by, or in the case of a Shareholder that is a company, on behalf of, the Shareholders who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Shareholders at which all Shareholders entitled to attend and vote thereat were present and voting.

37.4 A resolution in writing may be signed in any number of counterparts

37.5 A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Shareholders, as the case may be, and any reference in any Bye-law to a meeting at which a resolution is passed or to Shareholders voting in favour of a resolution shall be construed accordingly.

37.6 A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Companies Acts.

37.7 This Bye-law shall not apply to:

(a) a resolution passed to remove an Auditor from office before the expiration of his term of office; or

(b) a resolution passed for the purpose of removing a Director before the expiration of his term of office.

37.8 For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by, or in the case of a Shareholder that is a corporation whether or not a company within the meaning of the Companies Acts, on behalf of, the last Shareholder whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

38. **DIRECTORS ATTENDANCE AT GENERAL MEETINGS**

Each Director shall be entitled to receive notice of, attend and be heard at any general meeting of the Company.

DIRECTORS AND OFFICERS

39. **ELECTION OF DIRECTORS**

39.1 The Board of Directors shall be elected or appointed in the first place at the statutory meeting of the Company and thereafter, except in the case of a casual vacancy, at the annual general meeting or at any special general meeting called for that purpose.

39.2 The Company may at any annual general meeting or any special general meeting called for that purpose determine that one or more vacancies in the Board shall be deemed casual vacancies for the purposes of these Bye-laws. Without prejudice to the power of the Company by resolution in pursuance of any of the provisions of these Bye-laws to appoint any person to be a Director, the Board, so long as a quorum of Directors remains in office, shall have power, at any time and from time to time, to appoint any individual to

be a Director so as to fill a casual vacancy. Directors so appointed shall hold office until the next Annual General Meeting and are eligible for re-election at that Annual General Meeting.

40. **NUMBER OF DIRECTORS**

40.1 The Board shall consist of not less than one (1) Director or such number in excess thereof as the Shareholders may by resolution determine.

41. **TERM OF OFFICE OF DIRECTORS**

41.1 Directors shall hold office for such term as the Shareholders may determine or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated.

41.2 The Directors shall (subject to any resolution of the Shareholders to the contrary) have the power from time to time to appoint any person as a Director to fill a casual vacancy on the Board. Any Director appointed by the Board shall hold office only until the next annual general meeting and shall then be eligible for re-election.

41.3 A retiring Director shall be eligible for re-election.

42. **ALTERNATE DIRECTORS**

42.1 Any person may be elected as an Alternate Director to any one or more Directors by;

(a) the Shareholders at any general meeting; or

(b) the Board.

42.2 Any Director may appoint a person or persons to act as Alternate Director to himself.

42.3 The same person may be appointed as the Alternate Director of more than one Director.

42.4 Any person elected or appointed pursuant to Bye-laws 42.1 or 42.2 shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present.

42.5 Every person acting as an Alternate Director shall (except as regards powers to appoint an alternate and remuneration) be subject in all respects to the provisions of these Bye-laws relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for any Director for whom he is alternate. An Alternate Director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent, *mutatis mutandis*, as if he were a Director. Every person acting as an Alternate Director shall have one (1) vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director).

42.6 An Alternate Director shall be entitled to receive notice of all meetings of the Board and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.

42.7 The signature of an Alternate Director to any resolution in writing of the Board or a committee of the Board shall, unless the terms of his or her appointment provides to the contrary, be as effective as the signature of the Director or Directors to whom he or she is alternate.

42.8 An Alternate Director shall cease to be such if the Director for whom he was appointed to act as a Director in the alternative ceases for any reason to be a Director, but he may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy in accordance with these Bye-laws.

43. REMOVAL OF DIRECTORS

43.1 Subject to any provision to the contrary in these Bye-laws, the Shareholders entitled to vote for the election of Directors may, at any special general meeting convened and held in accordance with these Bye-laws, remove a Director provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.

43.2 If a Director is removed from the Board under this Bye-law the Shareholders may fill the vacancy at the meeting at which such Director is removed. In the absence of such election or appointment, the Board may fill the vacancy.

44. VACANCY IN THE OFFICE OF DIRECTOR

44.1 The office of Director shall be vacated if the Director:

(a) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;

(b) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally;

(c) is or becomes of unsound mind, a patient for any purpose of any statute or applicable law relating to mental health and the Board resolves that his office is vacated or dies; or

(d) resigns his office by notice in writing to the Company.

44.2 The Board shall have the power to appoint any person as a Director to fill a vacancy on the Board occurring as a result of the death, disability, disqualification or resignation of any Director and to appoint an Alternate Director to any Director so appointed.

45. REMUNERATION OF DIRECTORS

45.1 The remuneration (if any) of the Directors shall be determined by resolution of the Company in general meeting and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings, or in connection with the business of the Company or their duties as Directors generally.

46. DEFECT IN APPOINTMENT

46.1 All acts done in good faith by the Board, any Director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that he was, or any of them were, disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or act in the relevant capacity.

47. DIRECTORS TO MANAGE BUSINESS

47.1 The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Companies Acts or by these Bye-laws, required to be exercised by the Company in general meeting.

48. POWERS OF THE BOARD OF DIRECTORS

48.1 The Board may:

(a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;

(b) exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;

(c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;

(d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;

(e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;

(f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;

(g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board which may consist partly or entirely of non-Directors, provided that every such committee shall conform to such directions as the Board shall impose on them and provided further that the meetings and proceedings of any such committee shall be governed by the provisions of these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board;

(h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit;

(i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;

(j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and

(k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company.

49. REGISTER OF DIRECTORS AND OFFICERS

49.1 The Board shall cause to be kept in one or more books at the Registered Office a Register of Directors and Officers and shall enter therein the particulars required by the Companies Acts.

49.2 The Register of Directors and Officers shall be open to inspection without charge at the Registered Office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two (2) hours in each business day be allowed for inspection.

49.3 As required by the Companies Acts, details of the Directors shall be filed with the Registrar and the Registrar shall be notified of any change in the details of the Directors within thirty (30) days of any such change.

49.4 The register of Directors maintained by the Registrar shall be open to inspection subject to such conditions as the Registrar may impose and on payment of such fee as may be prescribed.

50. **APPOINTMENT OF OFFICERS**

50.1 The Board may appoint such officers (who may or may not be Directors) as the Board may determine.

51. **APPOINTMENT OF SECRETARY**

51.1 The Secretary shall be appointed by the Board from time to time.

52. **DUTIES OF OFFICERS**

52.1 The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

53. **REMUNERATION OF OFFICERS**

53.1 The Officers shall receive such remuneration as the Board may determine.

54. **DIRECTORS' INTERESTS**

54.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration as if such Director were not a Director. Nothing herein contained shall authorise a Director or Director's firm, partner or company to act as Auditor to the Company.

54.2 A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Companies Acts.

54.3 Following a declaration being made pursuant to this Bye-law, and unless disqualified by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum for such meeting.

55. **INDEMNIFICATION AND EXCULPATION OF DIRECTORS AND OFFICERS**

55.1 The Directors, Secretary and other Officers (such term to include any person appointed to any committee by the Board) for the time being acting in relation to any of the affairs of the Company, any subsidiary thereof, and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company or any subsidiary thereof and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on

or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons. Each Shareholder agrees to waive any claim or right of action such Shareholder might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, provided that such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director or Officer.

55.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Companies Acts in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.

55.3 The Company may advance moneys to a Director or Officer for the costs, charges and expenses incurred by the Director or Officer in defending any civil or criminal proceedings against him, on condition that the Director or Officer shall repay the advance if any allegation of fraud or dishonesty is proved against him.

MEETINGS OF THE BOARD OF DIRECTORS

56. BOARD MEETINGS

56.1 The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

57. NOTICE OF BOARD MEETINGS

57.1 A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means or other mode of representing words in a visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose.

58. ELECTRONIC PARTICIPATION IN MEETINGS

58.1 Directors may participate in any meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

58.2 A meeting of the Directors to which this Bye-law applies shall be deemed to take place where the majority of those participating is assembled or, if there is no majority, at the place where the chairman of the meeting is present.

59. QUORUM AT BOARD MEETINGS

59.1 The quorum necessary for the transaction of business at a meeting of the Board may be fixed by the Board and, unless so fixed at any other number shall be two (2) Directors, save where there is only one (1) Director in which case the quorum should be one (1) Director.

60. BOARD TO CONTINUE IN THE EVENT OF VACANCY

60.1 The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction of business at meetings of the Board, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting; or (ii) preserving the assets of the Company.

61. **CHAIRMAN TO PRESIDE**

61.1 Unless otherwise agreed by a majority of the Directors attending, the Chairman, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In their absence a chairman shall be appointed or elected by the Directors present at the meeting.

62. **WRITTEN RESOLUTIONS**

62.1 A resolution signed by all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board duly called and constituted, such resolution to be effective on the date on which the last Director signs the resolution.

63. **VALIDITY OF PRIOR ACTS OF THE BOARD**

63.1 No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS AND DOCUMENTS

64. **MINUTES**

64.1 The Board shall cause minutes to be duly entered in books provided for the purpose:

(a) of all elections and appointments of Officers;

(b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and

(c) of all resolutions and proceedings of general meetings of the Shareholders, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

65. **PLACE WHERE CORPORATE RECORDS KEPT**

65.1 Minutes prepared in accordance with the Companies Acts and these Bye-laws shall be kept by the Secretary at the Registered Office.

66. **FORM AND USE OF SEAL**

66.1 The Company may adopt a Seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.

66.2 The Seal may, but need not, be affixed to any deed, instrument, share certificate or document, and if the Seal is to be affixed thereto, it shall be attested by the signature of (i) any Director, or (ii) any Officer, or (iii) the Secretary, or (iv) any person authorised by the Board for that purpose.

66.3 A Resident Representative may, but need not, affix the Seal of the Company to certify the authenticity of any copies of documents.

67. **DESTRUCTION OF DOCUMENTS**

67.1 The Board may authorise or arrange the destruction of documents held by the Company as follows:

(a) at any time after the expiration of six (6) years from the date of registration, all instruments of transfer of shares and all other documents transferring or purporting to transfer shares or representing or purporting to represent the right to be registered as the holder of shares on the faith of which entries have been made in the Register of Shareholders;

(b) at any time after the expiration of one (1) year from the date of cancellation, all registered share certificates which have been cancelled;

(c) at any time after the expiration of two (2) years from the date of recording them, all dividend mandates and notifications of change of address; and

(d) at any time after the expiration of one (1) year from the date of actual payment, all paid dividend drafts and cheques.

67.2 It shall conclusively be presumed in favour of the Company that:

(a) every entry in the Register of Shareholders purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made;

(b) every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;

(c) every share certificate so destroyed was a valid certificate duly and properly cancelled;

(d) every other document mentioned in Bye-law 67.1(a) so destroyed was a valid and effective document in accordance with the particulars of it recorded in the books and records of the Company; and

(e) every paid dividend warrant and cheque so destroyed was duly paid.

67.3 The provisions of Bye-law 67.1(a) shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant.

67.4 Nothing in this Bye-law shall be construed as imposing on the Company or the Board any liability in respect of the destruction of any document earlier than as stated in Bye-law 67.1(a) or in any other circumstances in which liability would not attach to the Company or the Board in the absence of this Bye-law.

67.5 References in this Bye-law to the destruction of any document include references to its disposal in any manner.

ACCOUNTS

68. **BOOKS OF ACCOUNT**

68.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

(a) all amounts of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;

(b) all sales and purchases of goods by the Company; and

(c) all assets and liabilities of the Company.

68.2 Such records of account shall be kept at the Registered Office and shall be available for inspection by the Directors, the Registrar, or such other person as may be authorised under the Companies Acts during normal business hours.

68.3 No Shareholder (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Companies Acts or authorised by the Directors or by the Company in General Meeting.

69. **FINANCIAL YEAR END**

69.1 The financial year end of the Company may be determined by resolution of the Directors and failing such resolution shall be the Accounting Date in each year.

AUDITS

70. **ANNUAL AUDIT**

70.1 Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to the Companies Acts, the accounts of the Company shall be audited at least once in every year.

71. **APPOINTMENT OF AUDITOR**

71.1 Subject to the Companies Acts, at the annual general meeting or at a subsequent special general meeting in each year, an independent representative of the Shareholders shall be appointed by them as Auditor of the accounts of the Company.

71.2 The Auditor may be a Shareholder but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

72. **REMUNERATION OF AUDITOR**

72.1 Save in the case of an Auditor appointed pursuant to Bye-law 77, the remuneration of the Auditor shall be fixed by the Company in general meeting or in such manner as the Shareholders may determine. In the case of an Auditor appointed pursuant to Bye-law 77, the remuneration of the Auditor shall be fixed by the Board.

73. **DUTIES OF AUDITOR**

73.1 The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards.

73.2 The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Companies Acts. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

74. **ACCESS TO RECORDS**

74.1 The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers of the Company for any information in their possession relating to the books or affairs of the Company.

75. **FINANCIAL STATEMENTS**

75.1 Subject to any rights to waive laying of accounts pursuant to the Companies Acts, financial statements as required by the Companies Acts shall be laid before the Shareholders in general meeting. A resolution in writing made in accordance with Bye-law 37 receiving, accepting, adopting, approving or otherwise acknowledging financial statements shall be deemed to be the laying of such statements before the Shareholders in general meeting.

76. **DISTRIBUTION OF AUDITOR'S REPORT**

76.1 The report of the Auditor shall be submitted to the Shareholders in general meeting.

76.2 The Auditor shall be entitled to attend any general meeting at which any accounts which have been examined or reported on by him are to be laid before the Company and to make any statement or explanations he may desire with respect to the accounts, and notice of every such meeting shall be given to the Auditor in the manner prescribed for Shareholders.

77. **VACANCY IN THE OFFICE OF AUDITOR**

77.1 The Board may fill any casual vacancy in the office of the auditor.

SERVICE OF NOTICES AND OTHER DOCUMENTS

78. **HOW NOTICE IS SERVED**

78.1 Any Shareholder who has not left at or sent to the Registered Office, a place of address or an electronic mail address (for registration in the Register of Shareholders) at or to which all notices and documents of the Company may be served or sent is not entitled to receive any notice.

78.2 A notice may be given by the Company to a Shareholder:-

(a) by delivering it to such Shareholder in person; or

(b) by sending it by letter mail or courier to such Shareholder's address in the Register of Shareholders; or

(c) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Shareholder to the Company for such purpose; or

(d) in accordance with Bye-law 78.5.

78.3 Any notice required to be given to a Shareholder shall, with respect to any shares held jointly by two (2) or more persons, be given to whichever of such persons is named first in the Register of Shareholders and notice so given shall be sufficient notice to all the holders of such shares.

78.4 Any notice (save for one delivered in accordance with Bye-law 78.5 shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier, or transmitted by electronic means.

78.5 Where a Shareholder indicates his consent (in a form and manner satisfactory to the Board), to receive information or documents by accessing them on a website rather than by other means, or receipt in this manner is otherwise permitted by the Companies Acts, the Board may deliver such information or documents by notifying the Shareholder of their availability and including therein the address of the website,

the place on the website where the information or document may be found, and instructions as to how the information or document may be accessed on the website.

78.6 In the case of information or documents delivered in accordance with Bye-law 78.5 service shall be deemed to have occurred when (i) the Shareholder is notified in accordance with that Bye-law; and (ii) the information or document is published on the website.

VOLUNTARY WINDING-UP AND DISSOLUTION

79. WINDING-UP

79.1 If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Shareholders, divide amongst the Shareholders in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Shareholders as the liquidator shall think fit, but so that no Shareholder shall be compelled to accept any shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

80. CHANGES TO BYE-LAWS

80.1 No Bye-law may be rescinded, altered or amended and no new Bye-law may be made save in accordance with the Companies Acts and until the same has been approved by a resolution of the Board and by a resolution of the Shareholders.

81. CHANGES TO THE MEMORANDUM OF ASSOCIATION

81.1 No alteration or amendment to the Memorandum of Association may be made save in accordance with the Companies Acts and until same has been approved by a resolution of the Board and by a resolution of the Shareholders.

REDOMICILE

82. DISCONTINUANCE

82.1 The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Companies Acts.

AMALGAMATION

83. MERGER OR AMALGAMATION

83.1 Any resolution proposed for consideration at any general meeting to approve the merger or amalgamation of the Company with any other company, wherever incorporated, shall require the approval of a resolution of the Shareholders and the quorum for such meeting shall be that required in Bye-law 29 and a poll may be demanded in respect of such resolution in accordance with the provisions of Bye-law 32.

APPENDIX I

Notice of Liability to Forfeiture for Non-Payment of Call OF [insert name of company] (**Company**)

You have failed to pay the call of [amount of call] made on the [ ] day of [ ], 20[ ], in respect of the [number] share(s) [number in figures] standing in your name in the Register of Shareholders of the Company, on the [ ] day of [ ], 20[ ], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest accrued thereon in the sum of $[ ] (calculated at the rate of [ ] per annum computed from the said [ ] day of [ ], 20[ ] to the date hereof at the Registered Office of the Company on or before the [ ] day of [ ] 20[ ] the share(s) will be liable to be forfeited.

Dated this [ ] day of [ ], 20[ ]

_____

[Signature of Secretary]

By Order of the Board

APPENDIX II

SHARE TRANSFER FORM

FULL NAME AND ADDRESS OF TRANSFEROR:

_____

FULL NAME AND ADDRESS OF TRANSFEREE:

_____

FULL NAME OF COMPANY:

_____

NUMBER AND FULL DESCRIPTION OF SHARES:

_____

CONSIDERATION:

_____

The Transferor hereby transfers to the Transferee the shares described above free of all liens, charges and encumbrances and together with all rights now or hereafter attaching thereto, but subject to the Memorandum of Association and Bye-laws of the Company.

Duly signed this day of , by or on behalf of:

The Transferor _____

in the presence of:

Witness (Signature): _____

Witness Name (Print): _____

Witness Address (Print): _____

APPENDIX III

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Shareholder of Gold Mountains (Bermuda) Investment Limited (**Company**)

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased/bankrupt Shareholder] to [number] share(s) standing in the Register of Shareholders of the Company in the name of the said [name of deceased/bankrupt Shareholder] instead of being registered myself/ourselves, elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [ ] day of [ ], 20[ ]

Signed by:

_____

Transferor

_____

Transferee

In the presence of:

_____

Witness

_____

Witness

APPENDIX IV

Proxy of Gold Mountains (Bermuda) Investment Limited (**Company**)

I/We, [insert names here], being a Shareholder of the Company with [number] shares, HEREBY APPOINT [name] of [address] or failing him, [name] of [address] to be my/our proxy to vote for me/us at the meeting of the Shareholders to be held on the [ ] day of [ ], 20[ ] and at any adjournment thereof. (Any restrictions on voting to be inserted here.)

Signed this [ ] day of [ ], 20[ ]

_____

Shareholder(s)

Schedule 3 – Directors and Officers of Amalgamated Company

Name and Address	Position Held
Cheung Man Fan Flat K, 19/F, Block 1 Verbena Heights Tseung Kwan O, New Territories, Hong Kong	Director
Kai Yiu Room 2513, 25/F., Hang Yip House, Cheung Hang Estate, Tsing Yi, New Territories, Hong Kong	Director
BeesMont Corporate Services Limited 5th Floor, Andrew's Place 51 Church Street Hamilton HM 12 Bermuda	Secretary

Schedule 4 – Indicative Timetable of Principal Events

All references in this document to times are to Bermuda time unless otherwise stated.

Event	*Time / Date*
Dispatch of Notice of SGM	33 days prior to the SGM
Last time for receipt of proxy forms for SGM	48 hours prior to the SGM
SGM voting record date	5.00 pm Perth time, on the Business Day prior to the date of the SGM
SGM	9.00 am on a Business Day being not earlier than 34 days after the date of the Notice of SGM, anticipated to be on 28 September 2018.
Announcement of results of SGM	No later than 5.00 pm on day of the SGM
Conditions Fulfilment Date	The date on which all of the Conditions have been fulfilled (but prior to the registration of the Amalgamated Company and cancellation of the Nkwe Shares, which is the time at which the Amalgamation becomes Effective)
Announcement of Conditions Fulfilment	No later than 5.00 pm on the Conditions Fulfilment Date
Effective Time and cancellation of Nkwe Shares	The date and time at which the Amalgamation becomes Effective by the issue of the Certificate of Amalgamation by the Registrar of Companies, intended to be at 10.00 am, Bermuda time, on the Record Date
Suspension of trading of Nkwe Shares on all relevant securities exchanges	4.00 pm, Perth time, on the date on which the Amalgamation becomes Effective.
Record Date for the Amalgamation	5.00 pm, Perth time, on the third (3rd) Business Day after the suspension of trading (to allow for all trades occurring on the last day of trading to settle and be recorded in the Nkwe Share Register)
Payment of the Amalgamation Consideration to Amalgamation Participants	Within ten (10) Business Days of the Effective Date
Sunset Date	31 March 2019, unless extended

The SGM will be held at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

Schedule 5 – NKWE Statutory Declaration

DECLARATION UNDER SECTION 108(3)
OF THE COMPANIES ACT 1981

I, [Name of Officer], of [Address], being an Officer of Nkwe Platinum Limited (**Company**) do solemnly and sincerely declare that, to the best of my knowledge, there are reasonable grounds for believing that:

1. the Company is, and the amalgamated company (**Amalgamated Company**) following the amalgamation (**Amalgamation**) of the Company and Gold Mountains (Bermuda) Investment Limited will be able to pay its liabilities as they become due;

2. the realisable value of the Amalgamated Company's assets following the Amalgamation will not be less than the aggregate of all its liabilities and issued capital of all classes; and

3. no creditor of the Company will be prejudiced by the Amalgamation.

AND I make this solemn Declaration conscientiously believing the same to be true.

DECLARED at [ ]
this day of [ ], 2018
before me:

.....
Commissioner for Oaths/Notary Public

Schedule 6 – BidCo Statutory Declaration

DECLARATION UNDER SECTION 108(3) OF THE COMPANIES ACT 1981

I, [Name of Officer], of [Address], being an Officer of Gold Mountains (Bermuda) Investment Limited (**Company**) do solemnly and sincerely declare that, to the best of my knowledge, there are reasonable grounds for believing that:

1. the Company is, and the amalgamated company (**Amalgamated Company**) following the amalgamation (**Amalgamation**) of the Company and Nkwe Platinum Limited will be able to pay its liabilities as they become due;

2. the realisable value of the Amalgamated Company's assets following the Amalgamation will not be less than the aggregate of all its liabilities and issued capital of all classes; and

3. no creditor of the Company will be prejudiced by the Amalgamation.

AND I make this solemn Declaration conscientiously believing the same to be true.

DECLARED at [ ]
this day of [ ], 2018
before me:

.....
Commissioner for Oaths/Notary Public

APPENDIX D TO NOTICE OF SPECIAL GENERAL MEETING

FAIRNESS OPINION

NKWE PLATINUM LIMITED

Financial Services Guide and Fairness Opinion Report

11 September 2018

FINANCIAL SERVICES GUIDE

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 (“RSM Corporate Australia Pty Ltd” or “we” or “us” or “ours” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and / or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ("FOS"). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

Toll Free:	1300 78 08 08
Facsimile:	(03) 9613 6399
Email:	info@fos.org.au

Contact details

You may contact us using the details set out at the top of our letterhead on page 5 of this report.

CONTENTS

APPENDICES

RSM Corporate Australia Pty Ltd

Level 32, Exchange Tower,
2 The Esplanade Perth WA 6000
GPO Box R 1253 Perth WA 6844
T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9199

www.rsm.com.au

11 September 2018

The Directors
Nkwe Platinum Limited
Clarendon House, 2 Church Street
Hamilton, HM 11, Bermuda

Dear Directors

INDEPENDENT FAIRNESS OPINION REPORT (''REPORT'')

1. Introduction

Background

1.1 On 16 August 2018 Nkwe Platinum Limited ("NKP" or "the Company") announced to the Australian Securities Exchange ("ASX") that it had entered into an amalgamation agreement (the "Amalgamation Agreement") with the Company's major shareholder, Zijin Mining Group Co. Ltd ("Zijin") to acquire 100% of the issued shares in NKP which Zijin does not already own for cash consideration of A$0.10 per share (“Consideration”).

1.2 The agreement with Zijin and its wholly-owned subsidiaries, Gold Mountains (Bermuda) Investment Limited (“BidCo”) and Gold Mountains (HK) International Mining Limited (“Gold Mountains”), provides for the Company (subject to shareholder approval) to be amalgamated with BidCo under Bermudan law and 100% of the Company’s issued and outstanding share capital to be cancelled ("Amalgamation"). The amalgamated company will be 100% directly owned by Gold Mountains.

1.3 Zijin through its wholly-owned subsidiary, Jin Jiang Mining Limited ("JJML"), is Nkwe’s largest shareholder with a relevant interest in 60.47% of Nkwe’s shares on issue.

1.4 The acquisition of NKP by Zijin would be by way of amalgamation under Bermudan law. Further details of the terms and conditions of the key components of the Amalgamation are provided in Section 3 of this Report.

Terms of reference

1.5 A condition precedent of the Amalgamation is the receipt of a “Fairness Opinion” from an independent financial expert which concludes that the Consideration constitutes fair value (being within any fair value range as assessed by the independent expert) for each NKP Share.

1.6 The independent directors of NKP have requested RSM Corporate Australia Pty Ltd ("RSM") being independent and qualified for the purpose to provide such an opinion.

1.7 NKP is a Bermuda domiciled company and, as such, the Amalgamation is governed under Bermudan law. We understand that the Board proposes, in accordance with section 106 of the Bermuda Companies Act 1981, to advise shareholders of the "fair value" of the shares that are the subject of the Amalgamation.

1.8 Whilst NKP is a company incorporated in Bermuda, it has its primary listing in Australia on the ASX with a representative office in Perth where the Company Secretary is employed. NKP is therefore subject to the ASX Listing Rules but not generally subject to the requirements of the Australian Corporations Act 2001 since, as advised by the Company's legal counsel, it is Bermudan requirements that take precedence. The Company and the Board advised that there is no need for an Independent Expert Report to be prepared in accordance with the ASX Listing Rules or the Australian Corporations Act 2001.

1.9 This Report represents general financial product advice only and has been prepared without taking into consideration the individual circumstances of NKP Shareholders. The ultimate decision whether to approve the Amalgamation should be based on each NKP Shareholder's assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. NKP Shareholders should read and have regard to the contents of the Notice of Amalgamation Meeting and Explanatory Memorandum which has been prepared by the Directors and management of NKP. NKP Shareholders who are in doubt as to the action they should take with regard to the Amalgamation and the matters dealt with in this Report, should seek independent professional advice.

2. Summary and conclusion

Valuation of NKP

2.1 We have estimated the fair value of an NKP share by applying the sum of parts method, which estimates the value of NKP by valuing the various assets and liabilities of NKP and aggregating these values as shown in the table below. This provides an assessed value for an NKP share in the range of $0.080 to $0.148, with a midpoint of $0.114.

Table 1 Sum of Parts Valuation

A$000's	Low	High	Midpoint
Garatouw – mine plan	16,531	33,782	25,157
Exploration assets	52,668	96,041	74,354
Garatau Project	**69,199**	**129,823**	**99,511**
Surplus assets	1,222	1,222	1,222
Net cash	1,393	1,393	1,393
Equity value (control basis)	**71,813**	**132,437**	**102,125**
Number of shares on issue at the date of this Report (000's)	896,371	896,371	896,371
Sum of parts value per share	**0.080**	**0.148**	**0.114**

Source: RSM analysis

2.2 We note that the value range for an NKP share is wide. This is primarily due to the exploration assets being in the early stages of development, and the geological variability as to grade and tonnes has resulted in a wide range around the preferred values advised by CSA Global.

Conclusion on fairness

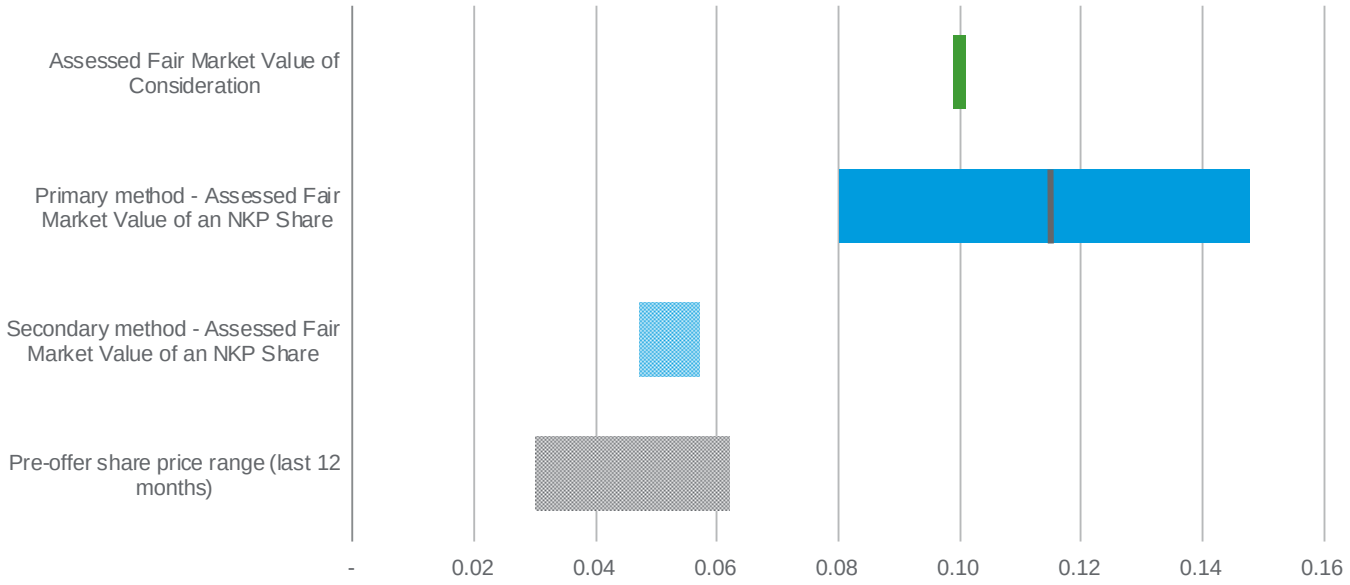
2.3 Our comparison of the proposed consideration and assessed values of an NKP Share are summarised in the table and figure below.

Table 2 Assessment of fairness

Assessment of fairness	Ref	Value per Share	
		Low	High
Fair value of Consideration	3.1	$0.100	$0.100
Fair value of a NKP Share – Control basis	8.2	$0.080	$0.148

Source: RSM analysis

Figure 1 Assessment of fairness graphical representation



Source: RSM Analysis

2.4 In accordance with the clause 4(b)(4) of the Amalgamation Agreement, and in the absence of any other relevant information, for the purposes of providing a Fairness Opinion, we consider that the Consideration constitutes fair value for each NKP Share, as the value of the Consideration is within the range of our assessed fair value of an NKP Share.

3. Summary of the Amalgamation

Overview

3.1 In accordance with the Amalgamation announced to the ASX on 16 August 2018, Zijin submitted an offer to acquire all the issued shares of NKP which it does not own (39.53%) for cash consideration of A$0.10 per NKP share.

3.2 The offer of cash consideration of A$0.10 per share was a revised offer from A$0.08 originally proposed by Zijin in an indicative non-binding proposal, announced to the ASX on 19 March 2018.

3.3 The acquisition of NKP by Zijin is to be by way of amalgamation under Bermudan law. Under the Amalgamation, Zijin will amalgamate with NKP through a new Bermuda incorporated entity which is a wholly owned subsidiary of Zijin, resulting in the new amalgamated NKP entity being a wholly owned subsidiary of Zijin.

Conditions precedent

3.4 The completion of the Amalgamation is subject to various conditions precedent including:

- BidCo, Gold Mountains and NKP obtaining all necessary regulatory approvals;
- the Fairness Opinion, the subject of this report, concluding that the Amalgamation Consideration constitutes fair value (being within any fair value range as assessed by the Independent Expert) for each NKP Share;
- approval by NKP Shareholders in accordance with NKP's bye-laws and Bermudan law; and
- no material adverse change occurring.

4. Scope of the Report

Basis of evaluation

4.1 Section 106 of the Bermuda Companies Act 1981 does not define fair value. In the absence of a definition of fair value, for the purposes of this Fairness Opinion, we have used Fair Market Value which may be defined as "the amount at which shares would be expected to change hands between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length."

4.2 Fair Market Value is context specific, such that under normal circumstances when a shareholder is in a controlling position or owns 100% of the shares, their shares attract a control premium. Conversely, when the shareholder is in a non-controlling position, a minority discount is typically applied.

4.3 However, in the context of a takeover, such as the Amalgamation, it is generally accepted that the valuation of the minority shares is calculated by pro-rating the value of the respective proportion of the Company's equity assuming 100% ownership of the subject company (that is, after applying a control premium).

4.4 Accordingly, whilst this is not a requirement under Bermudan law, we have prepared the Valuation on this basis.

4.5 In addition, we have not considered special value in forming our opinion. Special value is the amount that a potential acquirer may be prepared to pay for a business in excess of the fair market value. This premium represents the value to the particular potential acquirer of potential economies of scale, reduction in competition, other synergies and cost savings arising from the acquisition under consideration not available to likely purchasers generally. Special value is not normally considered in the assessment of fair market value as it relates to the individual circumstances of special purchasers.

Assessment of Fairness

4.6 In forming our opinion of fairness, in accordance with the clause 4(b)(4) of the Amalgamation Agreement, we have been instructed to conclude that the Consideration constitutes fair value if the Consideration falls within the fair value range of an NKP Share as assessed by us in this Report.

Limitations of evaluation

4.7 We have limited our evaluation and analysis to the valuation of NKP's shares held by the minority shareholders as at the Valuation Date (date of this Report). It is not within our terms of reference to evaluate or comment on the rationale for, strategies, financial or commercial merits of the Amalgamation. In addition, it is also not within our terms of reference to compare the relative merits of the Amalgamation to any alternative transaction previously contemplated by NKP or transaction that NKP may consider in the future.

.

5. Industry overview

5.1 Given the nature of NKP's business activities and in order to provide a context for assessing the value of NKP, we set out below an overview of the characteristics and outlook for the principal sectors in which NKP operates. More detailed discussion in relation to the characteristics and outlooks of these sectors is set out in Appendix C to this Report.

5.2 NKP is predominantly engaged in the exploration and development of a platinum group metals ("PGM") project in South Africa.

5.3 PGM consists of six metals:

- Platinum
- Palladium
- Osmium
- Ruthenium
- Iridium
- Rhodium

5.4 South Africa currently dominates the global PGM industry sector with approximately 71% of the global platinum production and 37% of global palladium production, being the two most significant metals in the group. The world resources of PGMs are estimated to be in excess of 100 million kilograms and the world's largest PGM reserves are located in the Bushveld Complex in South Africa.

5.5 PGMs are known for their resistance to corrosion and oxidation, high-melting points, electrical conductivity and catalytic activity. PGMs are predominantly used in catalytic converters for motor vehicles, components are also used in the electronics industry, glass manufacturing industry and in medical implants and cancer fighting drugs by the medical industry. Platinum is also well known for its use by the jewellery industry.

5.6 Global supply has remained relatively constant over the last three years.

5.7 Global demand is driven by the demand for automotive catalytic converters which is impacted by the growth in motor vehicles worldwide, the implementation of emission controls particularly in China and Europe offset to a certain extent by the regulating of platinum used in automotive catalytic converters. China is the largest consumer of platinum jewellery but this market has faced difficult conditions over the past three years and is predicted to struggle in the immediate future.

5.8 All PGM prices experienced a significant decline following the global financial crisis. After a rebound in prices in 2009/10, platinum prices have been in steady decline due to a slow down in key market sectors in China, but palladium has experienced growth in prices due to demand from automotive catalytic converters, partially as a result of legislation limiting nitrogen oxide emissions.

5.9 The Company's Garatau project has a strong platinum base, with platinum sales forecast to account for over 50% of revenue under the Garatouw mine plan, with palladium (~18% of revenue) and nickel (~15% of revenue) the next most significant resources.

5.10 The graphs on the following page show the 10-year price movements for platinum and palladium.

Figure 2 Platinum 10-year price chart

Figure 3 Palladium 10-year price chart

6. Profile of NKP

Background

6.1 NKP is a Bermudan registered company that was initially admitted to the Official List of the ASX (ASX:NKP) on 22 September 2003.

6.2 The Company predominantly engages in the acquisition, exploration and development of platinum group and associated base metal (PGM) projects within South Africa.

6.3 The Company's principal asset is the Garatau Project comprising Garatouw 282KT ("Garatouw Farm") which is at the pre-development stage and two adjoining exploration tenements, Hoepakrantz 291KT ("Hoepakrantz") and De Kom 251 KT ("De Kom"). The Company has a 74% interest in these assets.

6.4 The Company acquired the majority of the Garatau Project in December 2006 from Genorah Resources Pty Ltd through the payment of A$100,000 signing on fee and the issue of 63 million NKP shares.

6.5 In 2013, the Company entered into a strategic partnership with Zijin in respect of the development of the Company's PGM assets in South Africa, particularly the Garatau Project. This commenced with the issue of A$20 million three-year convertible bonds convertible into 200 million NKP shares at a price of A$0.10 per share, being issued to Jin Jiang, a subsidiary of Zijin. Subsequently, in July 2015, Jin Jiang acquired Genorah Resources (Australia) Pty Ltd's interest in NKP being 305,833,210 shares at a consideration of $0.10 per share.

6.6 Consequently, at the date of this Report Zijin, through its subsidiary Jin Jiang, has a 60.47% interest in NKP comprising 531,409,120 NKP shares. Zijin continues to provide funding to the Company and the Garatouw Project.

6.7 The Company was suspended from quotation on the ASX on 18 October 2016 after receiving a notice of intention to cancel the mining right over the farm Garatouw 282T by the South African Department of Mineral Resources ("Department"). NKP was reinstated to official quotation on the ASX on 17 November 2017 after working closely with the Department to address and resolve issues contained within the notice.

6.8 On 5 April 2018, the mining right over the Garatau Project was registered at the Minerals and Petroleum Titles Registration Office in Pretoria, having been executed on 22 January 2014.

Garatau Project

6.9 NKP owns 74% of the Mining Right over the Garatau Project, located in the Steelpoort district, South Africa, an established mining district with extensive infrastructure.

6.10 The Garatau Project is located approximately 20 kilometres to the northwest of Steelpoort town and approximately 300 kilometres north-east of Johannesburg, in the Eastern Link of the Bushweld Igneous Complex.

Figure 4 Garatau locality map

Source: DRA Garatouw Feasibility Study – Revision 2017

6.11 The most prospective areas are reefs within the Garatouw Farm particularly the Merensky Reef and Upper Group 2 ("UG2") Reef.

6.12 Garatouw Farm is currently at a pre-development stage with an optimised feasibility study completed in 2011 and 2012 to determine commercial viability and technical feasibility of extracting mineral resources from the Merensky Reef, with resources from the UG2 to be extracted later. Both De Kom and Hoepakrantz are at an early exploration stage.

6.13 The following tables summarise the total JORC mineral resources measured, indicated and inferred at the three farms.

Table 3 Mineral resources availability – Garatouw 282KT

Category	Tonnes (M)	Reef Width (m)	Pt (g/t)	Pd (g/t)	Au (g/t)	Rh (g/t)	4E (g/t)	4E (Moz)
Merensky 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**
UG 2								
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	0.5	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**

Source: Company
Notes:
1. Pt – Platinum, Pd – Palladium, Au – Gold, Rh - Rhodium

Table 4 Mineral resources availability – Hoepakrantz 291KT

Category	Tonnes (M)	Reef Width (m)	Pt (g/t)	Pd (g/t)	Au (g/t)	Rh (g/t)	4E (g/t)	4E (Moz)
Merensky 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**
UG 2								
Measured	21.666	1.10	-	-	-	-	5.62	3.91
Inferred	39.258	1.10	-	-	-	-	5.63	7.09
Sub-total	**60.924**	**1.10**	**n/a**	**n/a**	**n/a**	**n/a**	**5.62**	**11.00**
Total	**175.849**							**20.52**

Source: Company

Table 5 Mineral resources availability – De Kom 291KT

Category	Tonnes (M)	Reef Width (m)	Pt (g/t)	Pd (g/t)	Au (g/t)	Rh (g/t)	4E (g/t)	4E (Moz)
Merensky 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**
UG 2								
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**

Source: Company

Directors and management

6.14 The directors of NKP are summarised in the table below.

Table 6 NKP directors

Name	Title	Experience
Dr Qixue Fang	Non-Executive Chairman	Joined the board in October 2015. Dr Fang is an experienced senior metallurgist and is the Executive Director and Vice President of Zijin Mining Group Co. Ltd. Dr Fang holds senior positions within the Standard Bank group of companies, including serving as Managing Director, Head of Mining and Metals/Investment Banking/China
Dr Tielong Tan	Managing Director	Joined the board in May 2016. Dr Tan is a geologist with over 31 years' experience in mining, investment, and management. Prior to joining NKP, Dr Tan worked with AngloGold Ashanti Beijing Representative Office as the General Manager/Managing Director for Gansu Longxin Minerals Co., Ltd, a joint venture between AngloGold and No. 213 Geological Team of Gansu Provincial Nuclear Geological Bureau.
Mr Richard Jones	Non-Executive Director	Joined the board in November 2015. Mr Jones is a solicitor with over 16 years' experience in both in-house and private practice capacities. Mr Jones completed his law degree from the University of Western Australia and is admitted to the Supreme Court of Western Australia and the High Court of Australia.
Mr Shunjin Zhang	Non-Executive Director	Joined the Board on 29 March 2018. Mr Zhang is a geologist and has over 30 years' experience in the mining industry. Mr Zhang joined Zijin Mining Group in 2009 and was General Manager in the Geological Exploration Department and is currently the General Manager of the Investment Department.
Mr Richard O'Shannassy	Independent Non-Executive Director	Joined the Board on 29 March 2018. Mr O'Shannassy has over 35 years' experience as a Commercial Lawyer and has his own legal practice since 1992. Mr O'Shannassy has experience with numerous ASX listed companies both as independent non-executive director and General Counsel.
Mr Neville Bergin	Independent Non-Executive Director	Joined the Board on 29 March 2018. Mr Bergin is a Mining Engineer with experience in project management. Mr Bergin has worked in Australia, UK and New Zealand in both underground and open pit mines.

Source: Company

Financial information of NKP

6.15 The information in the following section provides a summary of the financial performance and cashflows for the years ended 31 December 2016 and 31 December 2017, half-year ended 30 June 2018 and the financial position of NKP as at 31 December 2017 and 30 June 2018.

6.16 The auditor of NKP, Ernst and Young, issued an unqualified audit opinion on the financial statements for both the year ended 31 December 2016 and 31 December 2017 but noted for both years a material uncertainty that existed that may cast significant doubt on the Company's ability to continue as a going concern. In both years NKP's cashflow forecast reflected the need to raise funds to enable the Company to meet its working capital requirements and planned expenditure (including the planned expenditure for its social and labour plan) for its Garatouw Project. The auditor's opinion was not modified in respect of this matter.

6.17 In addition, the audit report for the year ended 31 December 2016 included an Emphasis of Matter in relation to the carrying value of prospects, rights and exploration assets due to the issue with the Department noted in paragraph 6.7 above. The auditor's opinion was not modified in respect of this matter.

6.18 Financial information for the half-year ended 30 June 2018 and as at that date have been sourced from unaudited management accounts of the Company. We have not undertaken a review of the unaudited management accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and accordingly do not express an opinion on this financial information.

Financial performance

6.19 The table below sets out a summary of the financial performance of NKP for the years ended 31 December 2016 and 31 December 2017 and the half-year ended 30 June 2018.

Table 7 NKP historical financial performance

A$000's	Ref	6 months 30-Jun-18 Unaudited	12 months 31-Dec-17 Audited	12 months 31-Dec-16 Audited
Continuing operations				
Interest revenue		25	104	108
Other income		1	1	461
Administration and corporate expenses	6.21	(1,070)	(1,841)	(1,439)
Foreign currency exchange loss		-	(1)	(2)
Loss before finance costs		**(1,044)**	**(1,737)**	**(871)**
Finance costs		(8)	(15)	(0)
Loss before income tax expense		**(1,052)**	**(1,752)**	**(871)**
Income tax expense		-	-	-
Loss for the year		**(1,052)**	**(1,752)**	**(871)**
Other comprehensive income, net of income tax				
Items that will may be reclassified subsequently to profit or loss:				
Fair value (loss)/gain on available for sale financial assets	6.22	n/a	(928)	901
Exchange difference on transaction of foreign operations		n/a	4,902	11,880
Other comprehensive income/(loss) for the year, net of tax		**n/a**	**3,974**	**12,781**
Total comprehensive income/(loss) for the year	6.23	**n/a**	**2,222**	**11,910**

Source: Company

6.20 The statement of financial performance reflects the Company's main activities as a minerals exploration company, with no operating revenue and costs primarily comprising of administration and corporate expenses.

6.21 Administration and corporate expenses of approximately $1.1 million for the half year ended 30 June 2018 and $1.8 million and $1.4 million for the years ending 31 December 2017 and 31 December 2016 respectively, relate to directors' fees, corporate management and other expenses.

6.22 The fair value (loss)/gain on available for sale assets represents the movement in value of the shares held in Chrometco Limited ("Chrometco") between year ends.

6.23 Total comprehensive income for the year of approximately A$2.2 million for the year ended 31 December 2017 and A$11.9 million for the year ended 31 December 2016 is primarily due to the impact of the exchange rate movements in the translation of the carrying value of the Company's principal asset, being the investment in the Garatouw Project, from South African Rand ("ZAR") to Australian dollars ("A$").

Cash flows

6.24 The table below sets out a summary of the cash flows of NKP for the years ended 31 December 2016 and 31 December 2017.

Table 8 NKP historical cash flows

A$000's	Ref	6 months 30-Jun-18	12-months 31-Dec-17	12-months 31-Dec-16
Cashflows from operating activities				
Payments to suppliers and employees		(1,179)	(1,592)	(1,594)
Interest received		24	104	108
Net cash used in operating activities	6.25	**(1,155)**	**(1,488)**	**(1,486)**
Cashflows from investing activities				
Payments for prospects, rights and exploration		(533)	(1,034)	(870)
Payments for plant and equipment		-	(11)	(3)
Net cash used in investing activities	6.25	**(533)**	**(1,045)**	**(873)**
Cashflows from financing activities				
Proceeds from exercise of options		-	-	4
Proceeds from borrowings	6.28	6,400	-	-
Net cash provided by financing activities		**6,400**	**-**	**4**
Net decrease in cash and cash equivalents	6.26	**4,712**	**(2,533)**	**(2,355)**
Cash and cash equivalents at the beginning of the year		3,184	5,820	7,848
Effects of exchange rate fluctuations on cash and cash equivalents		(96)	(103)	327
Cash and cash equivalents at the end of the year		**7,800**	**3,184**	**5,820**

Source: Company

6.25 Cash outflows from operations in the half year ended 30 June 2018 totalled $1.7 million.

6.26 NKP expended funds of approximately $4.9 million net of interest income in the two years ended 31 December 2017 ($2.5 million plus $2.4 million) of which approximately $1.9 million was expended on the Company's mining assets and approximately $3.2 million on administration including maintaining the Company's listed status on the ASX.

6.27 Cash funding of NKP over the last three years has been sourced by the repayment of amounts due from Genorah which were acquired by Zijin as part of the transaction by which Zijin acquired Genorah's interest in NKP at $0.10 per share.

6.28 On 22 May 2018, the Company advised that it had entered into an unsecured loan funding agreement for $A6.4 million with Gold Mountains (HK) Investment and Mining Company Limited ("Gold Mountain"), a subsidiary fully controlled by Zijin. The funds must be used for working capital purposes only or as approved by Gold Mountain. The repayment date is 24 months following the execution of the loan agreement and interest is at the rate of 5% per annum.

Financial position

6.29 The table below sets out a summary of the financial position of NKP as at 31 December 2016, 31 December 2017 and 30 June 2018.

Table 9 NKP historical financial position

A$000's	Ref	30-Jun-18 Unaudited	31-Dec-17 Audited	31-Dec-16 Audited
Assets				
Cash and cash equivalents	6.30	7,800	3,184	5,820
Receivables		131	77	251
Prepayments		67	58	30
Total Current Assets	6.30	**7,998**	**3,319**	**6,102**
Prospects, rights and exploration assets	6.32	105,471	110,316	104,459
Property, plant and equipment		10	19	29
Other non-current assets	6.33	493	518	496
Available for sale financial asset	6.34	664	699	1,470
Total Non-Current Assets		**106,639**	**111,552**	**106,454**
Total Assets		**114,637**	**114,871**	**112,555**
Liabilities				
Trade and other payables		61	357	271
Provisions		313	54	47
Total Current Liabilities	6.30	**374**	**411**	**317**
Borrowings	6.31	6,408	-	-
Total Current Liabilities		**6,408**	**-**	**-**
Total Liabilities		**6,782**	**411**	**317**
Net Assets	6.30	**107,856**	**114,460**	**112,238**

Source: Company

6.30 At 30 June 2018 NKP had net assets of approximately $107.9 million, including $7.8 million cash and cash equivalents and a working capital deficit (current assets less current liabilities, excluding cash) of approximately $0.2 million.

6.31 The Company had borrowings of $6.4 million as at 30 June 2018.

6.32 Prospects, rights and exploration assets comprise the Garatau Project. Movement in the carrying value of this asset for the year ended 31 December 2017 and the half-year ended 30 June 2018 are shown below.

Table 10 Prospects, rights and exploration assets

A$000's	30-Jun-18 Unaudited	31-Dec-17 Audited
Opening balance	110,316	104,459
Exploration costs capitalised	564	1,034
Effect of exchange rate variance	(5,409)	4,823
Closing Balance	**105,471**	**110,316**

Source: Company

6.33 Other non-current assets represent the rehabilitation guarantee. The rehabilitation guarantee is a requirement of the Mineral and Petroleum Resources Development Act of 2002. The guarantee was paid in 2012. Once project development commences this guarantee will need to be re-evaluated on an annual basis and additional payments made as the guarantee increases.

6.34 The available for sale financial asset represents the Company's investment with Chrometco, a mineral exploration company with chrome and platinum prospects in the North West Province of South Africa. Chrometco is listed on the Johannesburg Stock Exchange ("JSE") Alt X. NKP holds 45 million shares in Chrometco. The shareholding arose from a settlement reached in relation to a mining asset – the Rooderand prospect.

6.35 As at 31 December 2017 NKP had a 12 month commitment of $2,820,648 to the Social Labour Programme which is required of the Minerals and Petroleum Resources Department Act (Act 28 of 2002) ("MPRDA"). NKP Management is currently in negotiations for a new Social Labour Programme for the period 2019 to 2023.

Capital structure

6.32 NKP has 896.4 million ordinary shares on issue. The top 20 shareholders of NKP as at 20 August 2018 are set out below.

Table 11 NKP Top 20 shareholders

Rank	Name	Total Units	% Issued Share Capital
1	JIN JIANG MINING LIMITED	470,297,156	52.47%
2	JIN JIANG MINING LIMITED	61,111,964	6.82%
3	INYANGA CONSOLIDATED INVESTMENTS (PTY) LTD	32,792,446	3.66%
4	GLENEAGLE SECURITIES NOMINEES PTY LIMITED	15,000,693	1.67%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,658,004	1.30%
6	FLOURISH SUPER PTY LTD <FLOURISH S/F A/C>	7,774,990	0.87%
7	SATORI INTERNATIONAL PTY LTD <SATORI S/F A/C>	6,779,539	0.76%
8	GRACEFORD HOLDINGS PTY LTD <GRACEFORD SUPER FUND A/C>	6,706,007	0.75%
9	MR DAVID ALAN MACDOUGALL + MRS LINA MACDOUGALL <DAVID MACDOUGALL INVEST A/C>	6,663,250	0.74%
10	CITICORP NOMINEES PTY LIMITED	6,612,849	0.74%
11	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,066,094	0.68%
12	J P MORGAN NOMINEES AUSTRALIA LIMITED	3,786,924	0.42%
13	MR STEVEN LIONEL TATE + MRS SHARLENE NORMA TATE	3,758,320	0.42%
14	DOULL CONSOLIDATED LIMITED	3,000,000	0.33%
14	MR STEPHEN CHARLES STUART WATTS <WATTS FAMILY A/C>	3,000,000	0.33%
16	BRADY BUNCH INVESTMENTS PTY LTD <HAYDEN SUPER FUND A/C>	2,836,087	0.32%
17	H N C PTY LTD <THE SAGGERS SUPER FUND A/C>	2,725,829	0.30%
18	ACCBELL NOMINEES PTY LTD	2,682,839	0.30%
19	MR PETER CHARLES MOREY + MRS VALMAI ANN MOREY <MOREY SUPER FUND A/C>	2,465,540	0.28%
20	MR YURY LEZHNIN	2,420,000	0.27%
	Total Top 20 Shareholding	**658,138,531**	**73.42%**
	Total Issued Capital	**896,371,120**	**100.00%**

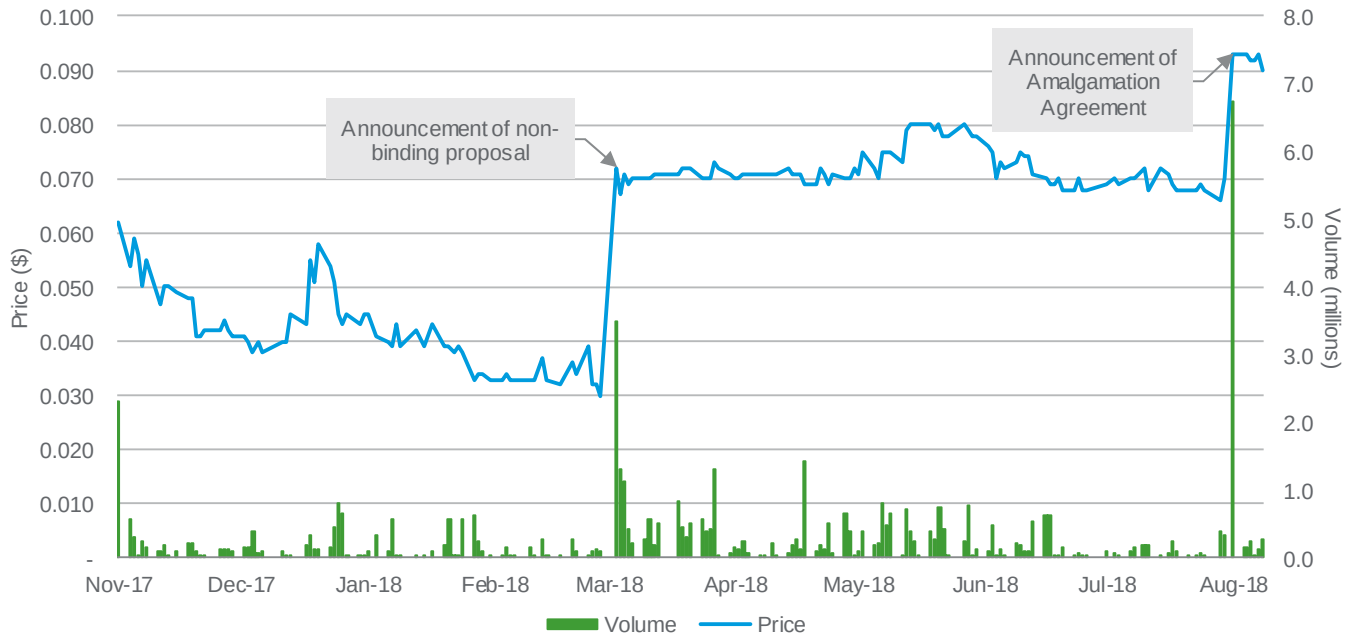
Source: Company

6.33 As shown in the table above the top 20 shareholders own approximately 73.42% of the Company with Zijin, through Jin Jiang Mining, having a 59.28% interest. We understand Zijin controls an additional 1.19% to have a total interest in 60.47%.

Share price performance

6.34 The figure below sets out a summary of NKP closing share prices and traded volumes from 17 November 2017, when the Company recommenced trading on the ASX, to 24 August 2018.

Figure 5 NKP daily closing share price and traded volumes



Source: S&P Capital IQ/ ASX

6.36 As discussed above, the Company was suspended from quotation on 18 October 2016 after receiving a notice of intention to cancel the mining right over one of its tenements by the Department.

6.36 The Company was reinstated to the official quotation on 17 November 2017 after satisfying the Department and the listing requirements of the ASX.

6.37 In the 4-month period between 17 November 2017 and 15 March 2018, being the last day the Company's securities were traded prior to the announcement of the non-binding proposal which proceeded the Amalgamation Agreement, the Company experienced limited trading activity, with approximately 3.1% of the Company's total volume of shares traded over this period.

6.38 During this period, the volume of Shares traded on a single day did not exceed 0.26%, highlighting the lack of liquidity of trading in the Company's securities.

6.39 As shown in the chart above, there has been an increase in trading activity following the announcement of the non-binding proposal in March 2018, with approximately 3.4 million (0.4% volume) NKP shares traded on the day of the announcement and 1.6% of the Company's total volume of shares traded in the period following the announcement of the non-binding proposal.

6.37 Similar high volumes followed the announcement of the Amalgamation on 17 August 2018, with 6.8 million shares trading on this date.

7. Valuation approach

Basis of evaluation

7.1 The valuation of a NKP Share has been prepared on the basis of Fair Market Value being the amount at which shares would be expected to change hands between a knowledgeable and willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length.

7.2 The value of a NKP Share assumes 100% ownership i.e. it includes a premium for control. Any special value of NKP to Zijin, (e.g. synergies that are not available to other bidders) is not taken into account in the valuation.

Valuation methodologies

7.3 In assessing the Fair Market Value of an ordinary NKP Share, we have considered a range of valuation methodologies which can be split into three valuation methodology categories, as follows.

- market based methods;
- income based methods; and
- asset based methods.

Market based methods

7.4 Market based methods estimate the Fair Value by considering the market value of a company's securities or the market value of comparable companies. Market based methods include;

- the quoted price for listed securities; and
- industry specific methods.

7.5 The recent quoted price for listed securities method provides evidence of the fair market value of a company's securities where they are publicly traded in an informed and liquid market.

7.6 Industry specific methods usually involve the use of industry rules of thumb to estimate the fair market value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the fair market value of a company than other market based valuation methods because they may not account for company specific risks and factors.

Income based methods

7.7 Income based methods estimate value by calculating the present value of a company's estimated future stream of earnings or cash flows. Income based methods include:

- discounted cash flow; and
- capitalisation of future maintainable earnings.

7.8 The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company's cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

7.9 The capitalisation of future maintainable earnings is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings ("FME") of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable companies and the trading multiples of comparable companies.

Asset based methods

7.10 Asset based methodologies estimate the Fair Market Value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method;
- liquidation of assets method; and
- net assets on a going concern basis.

7.11 The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.

7.12 The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or where a company is not valued on a going concern basis.

7.13 The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

Selection of valuation methodologies

7.14 In assessing the value of a NKP Share we have selected the following valuation methodologies:

- sum of parts method which estimates the value of NKP by valuing the various assets and liabilities of NKP and aggregating these values (primary methodology); and
- quoted prices of listed securities (secondary methodology).

7.15 Our valuation methodologies were selected on the following basis:

Primary methodology – Sum of parts

7.16 For NKP the sum of parts method comprises:

- Garatouw mine plan – discounted cash flow method based on the Garatouw Model, including a JORC compliant resource and forecast production cashflows and technical assumptions reviewed by an independent specialist;
- The Company's Garatouw, De Kom and Hoepakrantz exploration assets (i.e. not included in the mine plan resources) based on the comparable transactions methodology;
- Surplus assets – based on the fair value of the shareholding in Chrometco; and
- Net cash position – based on the current face value of cash on hand and bank balances.

7.17 The Company has prepared 33-year cash flow projections for the Garatouw Mine Plan to 2050 (the "Model"). We have instructed CSA Global Pty Ltd ("CSA") to act as independent specialist to review the technical assumptions contained in the Model in order to calculate the Fair Value of NKP's 74% interest in the Garatouw Project. We also cross-checked our assessed value of the Garatouw Mine Plan asset to the comparable transactions methodology adopted by CSA for the exploration assets.

7.18 In addition, CSA was requested to provide a valuation for the exploration assets – Garatouw (excluding resources to be extracted under the Mine Plan), De Kom and Hoepakrantz.

7.19 We note that the sum of parts valuation is inclusive of a premium for control.

Secondary methodology – Quoted prices of listed securities

7.20 NKP's securities are listed on the ASX. We have therefore also utilised the quoted market price methodology of NKP on the ASX as a secondary valuation methodology and to assess the market value as a cross check to our valuation of NKP derived under the sum of parts methodology. In our assessment of the quoted prices of NKP shares we have included a premium for control.

Other methodologies

7.21 We have not adopted the capitalisation of future maintainable earnings methodology as the Company is not generating any profits.

7.22 We are not aware of any alternative offers being received by the Company.

8. Valuation of NKP and a Share in NKP

8.1 As stated in Section 7 of this Report, we have assessed the value of a NKP Share on a sum of parts basis. We have cross-checked this value to the valuation of a NKP share based on the quoted price of an NKP share.

Sum of parts valuation – primary method

8.2 Set out in the table below, we have assessed the sum of parts value of a NKP Share to be between $0.080 and $0.148 per share on an undiluted and controlling basis.

Table 12 Sum of parts valuation

Valuation assessment A$000's	Ref	Unaudited 30-Jun-18	Low	High	Midpoint
Garatouw (mine plan)	8.38	n/a	16,531	33,782	25,157
Garatouw (exploration)		n/a	32,751	52,225	42,488
Hoepakrantz		n/a	19,474	42,488	30,981
De Kom		n/a	443	1,328	885
Exploration assets	8.51	**n/a**	**52,668**	**96,041**	**74,354**
Garatau Project	8.4	**105,306**	**69,199**	**129,823**	**99,511**
Surplus assets	8.53	1,157	1,222	1,222	1,222
Net cash	8.57	1,393	1,393	1,393	1,393
Equity value (control basis)		**107,856**	**71,813**	**132,437**	**102,125**
Number of Shares on issue at the date of this Report (000's)			896,371	896,371	896,371
Sum of parts value per share (undiluted)	8.2		**0.080**	**0.148**	**0.114**

Source: RSM analysis

8.3 Our assessment has been based on the unaudited net assets of NKP as at 30 June 2018. In order to calculate the Fair Market Value of a NKP Share, we have made a number of adjustments to the carrying values of the assets included in the management accounts as at 30 June 2018. These adjustments are set out below.

Garatau Project

8.4 We have assessed the value of NKP's interest in the Garatau Project to be in the range of $69.2 million to $129.8 million. This comprises the Garatouw Mine Plan and the Exploration Assets.

Garatouw Mine Plan

8.5 We have assessed the value of NKP's interest in the Garatouw Mine Plan asset at between $16.5 and $33.8 million using the discounted cash flow method and a secondary basis applying CSA's comparable transactions methodology. The discounted cash flow method estimates fair market value by discounting a project's future cash flows to their net present value.

8.6 Management has prepared detailed cash flow projections for the extraction of resources from the Merensky Reef at Garatouw Farm based on the current mine plans and operational plans. The cash flow projections for the Garatouw Mine Plan comprise projections of ZAR denominated real after-tax cash flows up to and including the year ending 2050, when current proven and probable reserves are expected to be depleted.

8.7 Our discounted cash flow valuation has considered the technical and operating characteristics of the Garatouw Mine Plan. In our assessment of those characteristics of the Garatouw Farm and the

reasonableness of the Models, we have identified a number of factors that underpin the reliability of the cash flow forecasts.

8.8 The Garatouw Farm has a life of mine plan and definitive feasibility study which provide support for technical and operational assumptions included in the Models.

8.9 CSA has reviewed the Technical Assumptions included in the Garatouw Model and has recommended changes to some of these Technical Assumptions. We have incorporated these changes in our valuation. The assumptions reviewed by CSA include reserves, ore grade, capital costs, operating costs, rehabilitation costs and process recoveries.

Future cash flows

8.10 We have performed an analysis of the cash flow projections and the Garatouw Model prepared by management based on the existing mine plans, including:

- analysing the Garatouw Model, including limited procedures regarding the mathematical accuracy of the Garatouw Model (but have performed neither a detailed review nor an audit of the Garatouw Model);
- reviewing the basis of the underlying assumptions such as revenue, operating expenditure, capital expenditure and royalties;
- holding discussions with Management concerning the preparation of the projections, and their view regarding the assumptions on which they are based; and
- updating the Garatouw Model for changes arising from CSA's review of the Technical Assumptions.

8.11 The key assumptions adopted in the preparation of the cash flow projections, and the adjustments we have made, are discussed below.

Economic assumptions

8.12 Management has provided us with the Garatouw Model, which includes projected LOM cash flows in real terms for the Garatouw Mine Plan. We have made amendments to the Garatouw Model to reflect our preferred commodity prices, foreign exchange prices and inflation rate. We have also conducted sensitivity analysis on our selected assumptions in paragraphs 8.33 to 8.36 below.

Commodity prices

8.13 Garatouw Farm is projected to produce significant platinum group metals as well as ruthenium, gold, nickel and copper over its expected life. In estimating the appropriate commodity price assumptions, we have had regard to the following:

- consensus analysis price forecasts sourced from Consensus Economics; and
- other publicly available industry estimates and commentary such as broker estimates and industry research.

8.14 Based on our analysis, we have adopted the following commodity prices, on a real basis.

Table 13 Commodity prices

US$ Real (1)		Spot 24-Aug-18	2018	2019	2020	2021	2022	Long Term
Platinum	US$/oz	792	921	971	1,031	1,079	1,093	1,202
Palladium	US$/oz	922	991	995	992	943	914	845
Rhodium	US$/oz	2,380	2,380	2,380	2,380	2,380	2,380	2,380
Ruthenium	US$/oz	255	255	255	255	255	255	255
Gold	US$/oz	1,184	1,270	1,264	1,247	1,196	1,188	1,206
Nickel	US$/tonne	13,560	13,781	13,794	13,689	14,150	14,253	16,021
Copper	US$/tonne	5,963	6,553	6,653	6,633	6,667	6,617	6,549

Source: Consensus Economics and publicly available information

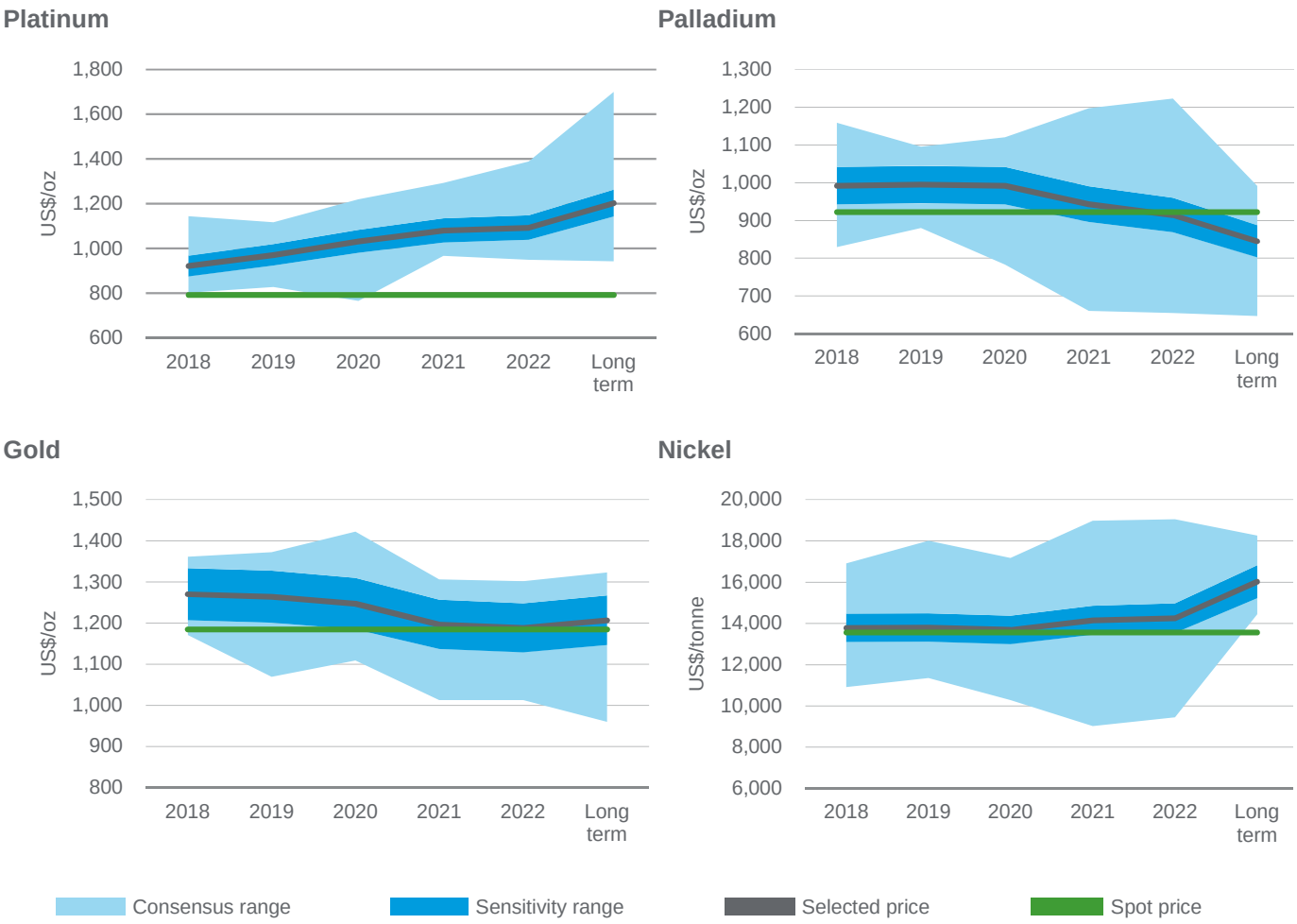
1. The cashflow projections of the Garatouw Model are in real terms. As such we have discounted the nominal consensus forecasts reported by Consensus Economics to calculate real prices, using the US inflation forecasts reported by the US Federal Reserve as at 10 May 2018.

8.15 We note there is a significant difference between the spot prices as at 24 August 2018 and the average long-term broker consensus prices. This disparity reflects analysts' view that there will be a shortfall in the supply of long term platinum group estimates versus future demand, which will positively impact prices.

8.16 Whilst platinum sales account for over 50% of revenue over the forecast period to 2050, palladium (~18% of revenue) and nickel (~15% of revenue) are also forecast to provide strong revenue contributions, whilst each of the remaining commodities each contribute less than 10% to forecast sales.

8.17 The consensus forecast price trends for the four-core revenue generating metals being platinum, palladium, gold and nickel prices are presented graphically in the chart below.

Figure 6 Commodity prices (USD real)



Source: Consensus Economics

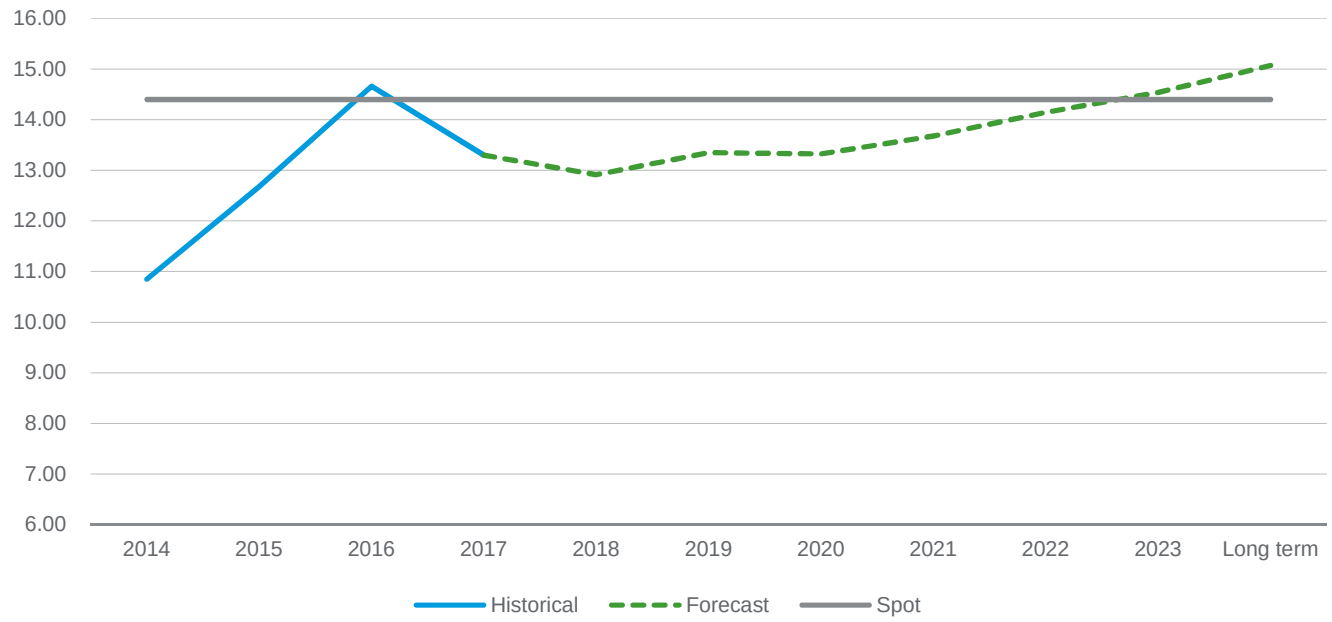
8.18 We have discounted the nominal consensus forecast prices by the long-term US inflation rates quoted by the US Federal Reserve in order to incorporate real prices in the model, which has been prepared on real terms.

Foreign exchange

8.19 The underlying cashflows utilised in the Garatouw Model are denominated in ZAR. The ZAR cash flows are then converted into USD cash flows to calculate a USD based valuation, in line with USD denominated revenue. We have applied a ZAR denominated discount rate as the Garatouw Model is denominated in ZAR with all costs incurred in this currency. The USD valuation is then converted to AUD for the purposes of this report.

8.20 As a result, we have adopted the following real ZAR:USD foreign exchange rate assumptions for the Garatouw Model:

Figure 7 Foreign exchange



Source: Consensus Economics

8.21 We have based our analysis on consideration of the following:

- Historical and current ZAR:USD exchange rates;
- Forecast ZAR:USD exchange rates; and
- Other publicly available information.

Inflation

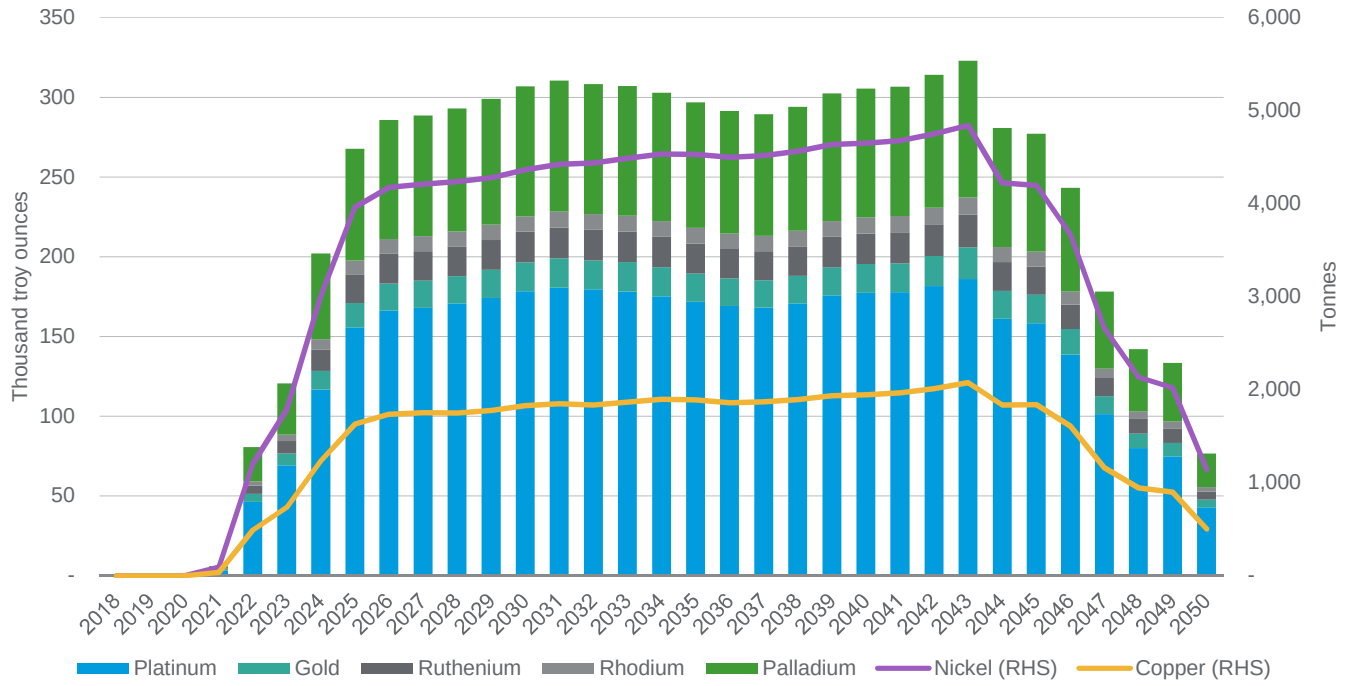
8.22 The cashflow projections of the Garatouw Model are in real terms, as such we have not adjusted for inflation in the underlying model.

8.23 As discussed in paragraph 8.19, we discounted nominal forecast commodity prices obtained from Consensus Economics into real terms using forecast US inflation rates quoted by the US Federal Reserve.

Revenue

8.24 Revenue is a function of the quantity and price of saleable products, which are discussed in the following sections. The figure below shows the production profile for 4E products over the LOM of Garatouw (on a 100% basis). We note that we have relied on the advice of CSA with regard to the production assumptions in the Garatouw Model.

Figure 8 Garatouw production profile



Source: Garatouw Model, Company, CSA

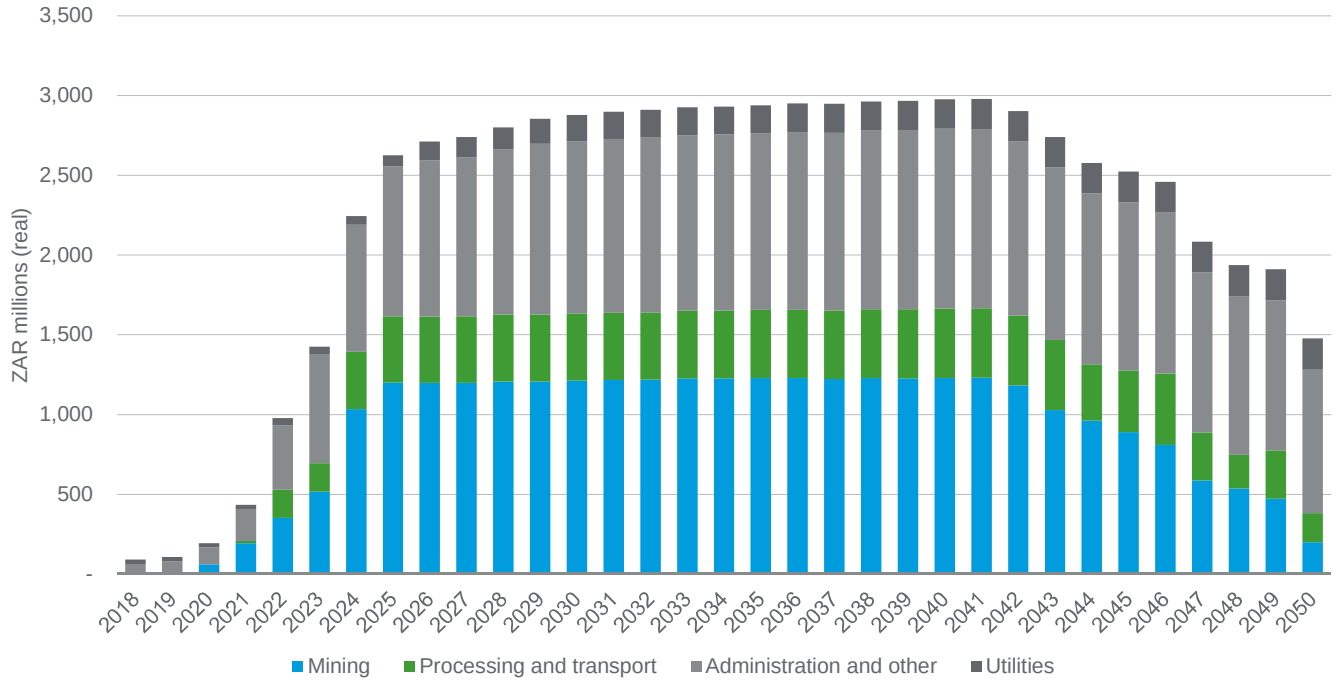
8.25 We note the following in relation to the figure above:

- the current mine plan assumes that production from Garatouw will commence operations in 2021 and continue until 2050. Total 4E concentrate production from Garatouw is projected to be 7.43 million troy ounces (at an average grade of 2.9 g/t) and 111,000 tonnes of nickel (at an average grade of 0.13%) over this period
- the Garatouw Model includes an adjustment for the split between each of the 4E commodities produced from Garatouw. Of the total 4E ounces produced, approximately 53% relates to platinum, with palladium, rhodium and gold accounting for 19%, 5% and 6% respectively
- in addition to 4E commodities, Garatouw also contains significant levels of nickel, representing 14% of revenue and a small amount of ruthenium and copper, collectively accounting for approximately 3.0% of total projected revenue from the Project

Operating expenditure

8.26 Operating expenditure consists of mining, processing and transport, utilities and administrative and other costs. The following figure sets out projected operating expenditure at Garatouw.

Figure 9 Operating expenditure



Source: Garatouw Model, Company, CSA

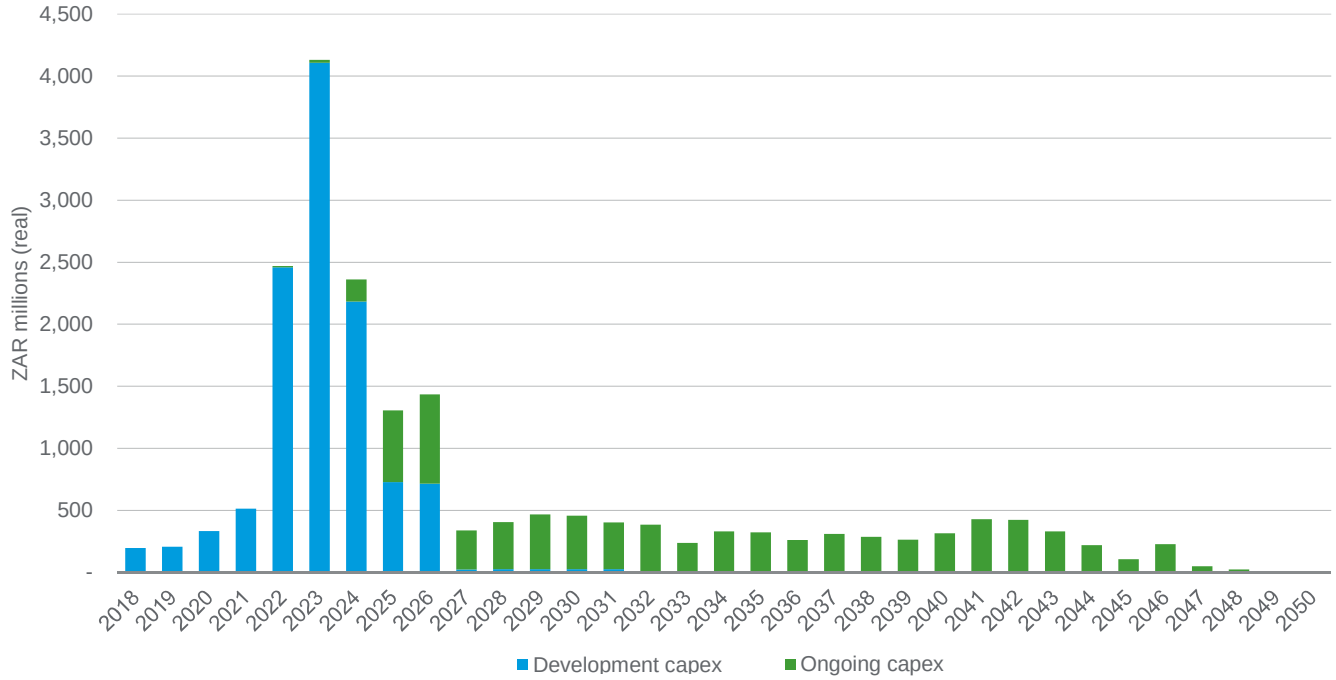
8.27 We note the following in relation to the figure above:

- CSA have commented that, due to various technical changes and a number of uncertainties, the mining operating cost estimate should be considered of prefeasibility level (i.e. ±25%)
- total operating expenditure over the remaining life is projected to be ZAR75.1 billion (in real terms)
- operating expenditure is equivalent to approximately USD776 (in real terms) per 4E ounce produced (excluding nickel and copper production). It is projected that operating expenditure will decrease over the project's remaining life in line with the decline in production from the mine
- mining costs represent the most significant component of operating expenditure and are projected to be USD36 per tonne of ore mined (in real terms).

Capital Expenditure

8.28 The following figure sets out projected capital expenditure at Garatouw.

Figure 10 Capital expenditure



Source: Garatouw Model, Company, CSA

8.29 We note the following in relation to the figure above:

- capital expenditure relates entirely to both development and sustaining capital expenditure for Garatouw to commence and maintain operations. Total capital expenditure is projected to be ZAR19,501 million (in real terms), comprising ZAR11,586 million development capital expenditure with the balance being sustaining capital expenditure, equivalent to approximately ZAR1,065 per oz
- CSA has informed us they consider there is sufficient contingency within the capital expenditure assumptions to meet capital expenditure requirements for the Project, however note that due to a number of uncertainties, the mining capital cost estimate should be considered of prefeasibility level (i.e. ±25%)

Other assumptions

8.30 In addition to the assumptions discussed in the preceding sections, we have also made the following assumptions:

- rehabilitation and abandonment expenditure is not specifically included in the forecast costs, however CSA has informed us there is sufficient costs included to satisfy rehabilitation and abandonment requirements;
- cash flows are modelled on a post-tax basis, incorporating a South African corporate tax rate of 28%;
- cash flows incurred in USD are converted to ZAR at our selected ZAR:USD exchange rate assumptions as set out in Figure 7;
- we have converted the USD denominated valuation outcome for Garatouw to AUD at a rate of 1USD:0.73AUD, based on the spot price at 20 August 2018 and after consideration of consensus forecast estimates;

- Garatouw is currently subject to royalty payments to the South African Government. Royalty payments are levied on production of 4E plus copper plus nickel (6E) commodities, and are variable depending on the grade of concentrate produced from the project. Over the life of the project, royalties of ZAR4.92 billion are paid at an average rate of 3.3% of revenue; and
- cash flows have been adjusted for working capital movements, based on the expected sales terms of similar projects.

Discount rate

8.31 The discount rate we have selected allows for both the time value of money and the risks attached to future cash flows. It is a financial (real) discount rate in line with the Model. The applicable discount rate is the likely rate of return an acquirer of the Garatouw Mine would require for the risks inherent in investing in the asset.

8.32 We have utilised the weighted average cost of capital ("WACC") as our discount rate. We have assessed the WACC to be in the range of 9.30% to 10.20%. Details of our assessment of the preferred range for the WACC are included in Appendix D.

Sensitivity analysis

8.33 We have performed five key sensitivities on our DCF of the Garatouw Mine Plan. We have selected our sensitivities based on the likelihood of changes in the key assumptions that underpin the Model. We consider the key sensitivities to be:

- Commodity price
- Operational expenditure
- Capital expenditure
- ZAR:USD forecast exchange rate
- Metallurgical recoveries of 4E metals

8.34 The table below summarises the appropriate high-level impact in our key assumptions assuming a range of discount rates and applying the relevant sensitivity to the Garatouw Model.

Table 14 Sensitivity of Garatouw mine plan (NKP relevant interest)

$A million	Discount rate (real, post-tax)				
	8.90%	9.30%	9.75%	10.20%	10.60%
Commodity prices					
-5.0%	(116.0)	(131.9)	(148.1)	(162.7)	(174.3)
-2.5%	(69.3)	(87.3)	(105.7)	(122.3)	(135.7)
Selected assumptions	(23.4)	(43.4)	(64.0)	(82.6)	(97.7)
2.5%	66.7	42.6	17.8	(4.9)	(23.2)
5.0%	154.7	126.6	97.5	71.0	49.4
Operational expenditure					
-5.0%	44.8	21.6	(2.3)	(24.0)	(41.7)
-2.5%	10.7	(10.9)	(33.2)	(53.3)	(69.7)
Selected assumptions	(23.4)	(43.4)	(64.0)	(82.6)	(97.7)
2.5%	(57.4)	(75.9)	(94.8)	(111.9)	(125.7)
5.0%	(91.5)	(108.4)	(125.7)	(141.2)	(153.7)
Capital expenditure					
-10.0%	45.3	23.6	1.3	(19.1)	(35.6)
-5.0%	11.0	(9.9)	(31.4)	(50.8)	(66.6)
Selected assumptions	(23.4)	(43.4)	(64.0)	(82.6)	(97.7)
5.0%	(57.7)	(77.0)	(96.6)	(114.4)	(128.7)
10.0%	(92.0)	(110.5)	(129.3)	(146.2)	(159.8)
ZAR:USD forecast					
-10.0%	(116.4)	(133.4)	(150.8)	(166.3)	(178.8)
-5.0%	(68.3)	(86.9)	(105.9)	(123.0)	(136.8)
Selected assumptions	(23.4)	(43.4)	(64.0)	(82.6)	(97.7)
5.0%	18.7	(2.7)	(24.7)	(44.7)	(61.0)
10.0%	58.2	35.5	12.1	(9.2)	(26.5)
Flat at 14.40	5.1	(20.2)	(46.1)	(69.6)	(88.7)
Metallurgical recoveries (4E)					
-3.00%	(74.2)	(92.0)	(110.2)	(126.6)	(139.7)
Selected assumptions	(23.4)	(43.4)	(64.0)	(82.6)	(97.7)
3.00%	26.6	4.2	(18.7)	(39.5)	(56.4)

Source: RSM analysis

8.35 As shown above, the value of Garatouw is negative at the selected base case assumptions. We note that the value is highly sensitive to changes in commodity prices, as well as changes in foreign exchange, operating expenditure and capital expenditure assumptions.

8.36 Therefore, we have also considered the value attributed by CSA to the mineral resources at Merensky Reef outside the Garatouw Mine Plan as a secondary valuation methodology.

8.37 CSA determined a range of US$ per ounce valuation factors (based on comparable transactions) for the exploration assets at Merensky Reef as shown in Table 39 of their Report of between US$2.30 and US$4.70 with a preferred factor of US$3.50 based on a normalised platinum price of US$907/oz. Further normalising to current platinum prices of US$792/oz and applying this range to the 8.12 Moz of contained 4E resources within the Garatouw Mine Plan area (refer to Table 15 for resource estimates) results in a value range of between US$16.3 million and US$33.3 million for a 100% project interest as shown in the table below.

Table 15 Secondary valuation method of Garatouw Mine Plan asset

$million	Low	High	Midpoint
Total US$ based on 8.12 Moz	18.7	38.2	28.4
Normalised to US$792/oz	**16.3**	**33.3**	**24.8**
NKP's interest	74%	74%	74%
NKP's interest US$	**12.1**	**24.7**	**18.4**
AUD:USD exchange rate	1:0.73	1:0.73	1:0.73
NKP's interest in A$	**16.5**	**33.8**	**25.2**
Value per NKP Share	**$ 0.018**	**$ 0.038**	**$ 0.028**

Source: CSA

8.38 Based on our consideration of the above, we have selected a value for NKP's 74% interest in the Garatouw Mine Plan asset in A$ the range of A$16.5 million to A$33.8 million translated at an AUD:USD exchange rate of 1:0.73.

8.39 We have selected this range of values for the Garatouw Mine Plan with consideration of the following factors:

- The value attributed by CSA to the Exploration Assets on per ounce basis with reference to the JORC resources in the Merensky Reef which are not included in the Garatouw Mine Plan;
- Recent falls in commodity prices, especially platinum prices which are at a 10-year low at the date of this report and the sensitivity small price movements has on the value of the Garatouw Mine Plan under the DCF methodology;
- Sensitivity to ZAR:USD rates and the recent decline in ZAR relative to USD; and
- The views of CSA that the Garatouw Farm mining assessment does not appear to have attained the rigour of a Class 3 estimate and thus cannot be considered a Definitive Feasibility Study, and that the Garatouw Model should be considered pre-feasibility due to the passage of time since the optimised feasibility study and the potential variability in assumptions of ±25%.

Exploration assets

8.40 Exploration assets not included in the current mine plan or the financial model based on the current mine plan, as discussed above, include:

- Garatouw Merensky Reef Mineral Resources, outside of the current mine plan;
- Garatouw UG2 Mineral Resources;
- Hoepakrantz Merensky Reef Mineral Resources;
- Hoepakrantz UG2 Mineral Resources;
- De Kom Merensky Reef Mineral Resources; and
- De Kom UG2 Mineralisation.

8.41 We have instructed CSA to act as independent specialist and provide valuations of the Company's Garatouw Farm outside of the current mine plan and the Hoepakrantz and De Kom exploration assets.

8.42 CSA state in their report:

> *"Valuation of Mineral Assets is not an exact science; and a number of approaches are possible each with varying positives and negatives. While valuation is a subjective exercise, there are a number of generally accepted procedures for establishing the value of Mineral*

Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets."

8.43 In forming their opinion on the market value of the Exploration assets the primary valuation approach adopted by CSA has been to rely on Market-based methods, specifically the Comparative Transaction method. This was based on the declared Mineral Resources on each of the properties, as set out in the table below.

Table 16 Valuation basis and methods employed

Mineral Asset	Classification	Contained 4E (Moz)	Valuation methods
Garatouw Merensky within the current mine plan	*Pre-Development*	*8.12*	*Not valued by CSA – income method*
Garatouw Merensky outside of the current mine plan	Pre-Development	2.73	Transactions, Yardstick, Geological Risk
Garatouw UG2	Pre-Development	21.78	Transactions, Yardstick, Geological Risk
Hoepakrantz Merensky	Pre-Development	9.52	Transactions, Yardstick, Geological Risk
Hoepakrantz UG2	Pre-Development	20.52	Transactions, Yardstick, Geological Risk
De Kom Merensky	Advanced Exploration	0.52	Transactions, Yardstick, Geological Risk
De Kom UG2	Advanced Exploration	0.88	Transactions, Yardstick, Geological Risk

Source: CSA

8.44 The choice of alternative valuation methods CSA adopted to cross check the values obtained utilising the primary valuation method adopted (Corporate Transactions) was diluted by the exploration stage of the assets and the availability of information.

8.45 CSA employed the Yardstick method as a non-corroborative order of magnitude cross check on the valuation using the Comparative Transactions method.

8.46 In addition, CSA considered two variations of the Geological Risk method in assessing the value of the exploration assets:

- The first method employed used a target value for each resource based on factoring the net present value per ounce (NPV/oz) of the current Garatouw mine plan and considered possible costs and likely probabilities in upgrading these resources to this point; and
- The second method employed used a target value for each resource based on the US$/oz factor for feasibility level resources derived from the analysis of market transactions and considered possible costs and likely probabilities in upgrading those resources to this point (largely Measured and Indicated Resources).

8.47 As stated in the above, the principal method of valuation adopted by CSA in valuing the Exploration Assets was Comparative Transactions. The transactions considered were measured post January 2013.

8.48 For all transactions analysed all amounts were converted to US$ at the relevant exchange rate at the time of the transaction announcement. Share consideration was treated as the equivalent cash value using share prices at the time of the transaction, unless the shares were carried at a particular deemed price.

8.49 CSA considered ten transactions involving Bushveld Complex platinum projects with declared mineral resources at the time of the transaction. The transactions selected had sufficient public information available to enable analysis in terms of price paid per ounce of resource acquired.

8.50 Based on the work undertaken, CSA assessed the likely market value of 100% of the Garatouw Project exploration assets to be in the range of US$59.5 million to US$108.5 million with a preferred midpoint value of US$84.0 million, based on a normalised platinum price of US$907/oz at the date of their report, as set out below.

Table 17 Assessed value of Exploration Assets (100% basis)

Area	Reef	Low (US$M)	High (US$M)	Midpoint (US$M)
Garatouw (outside mine plan)	Merensky Reef	7.0	13.0	10.0
	UG2	30.0	46.0	38.0
Garatouw (outside mine plan) total		**37.0**	**59.0**	**48.0**
Hoepakrantz	Merensky Reef	10.0	22.0	16.0
	UG2	12.0	26.0	19.0
Hoepakrantz total		**22.0**	**48.0**	**35.0**
De Kom	Merensky Reef	0.2	0.6	0.4
	UG2	0.3	0.9	0.6
De Kom total		**0.5**	**1.5**	**1.0**
Total		**59.5**	**108.5**	**84.0**

Source: CSA

8.51 We have normalised the CSA values based on current platinum prices of US$792/oz and applied NKP's 74% interest in these assets in A$, resulting in an assessed range of A$52.7 million and A$96.0 million with a preferred midpoint value of A$74.4 million for NKP's interest, calculated as follows.

Table 18 Assessed value of NKP's interest in Exploration Assets

$million	Low	High	Midpoint
Total US$	59.5	108.5	84.0
Normalised to latest platinum price of US$792/oz	**52.0**	**94.7**	**73.3**
NKP's interest	74%	74%	74%
NKP's interest US$	**38.5**	**70.1**	**54.3**
AUD:USD exchange rate	1:0.73	1:0.73	1:0.73
NKP's interest in A$	**52.7**	**96.0**	**74.4**
Value per NKP Share	**$ 0.059**	**$ 0.107**	**$ 0.083**

Source: RSM analysis

Corporate costs

8.52 We note that corporate costs have been included in the operating costs of the mine plan.

Surplus assets and liabilities

8.53 The following table sets out NKP's surplus assets.

Table 19 NKP surplus assets

A$000's	Unaudited 30-Jun-18	Fair Value
Available for sale financial assets -	664	729
Other non-current assets	493	493
Total assessed surplus assets	**1,157**	**1,222**

Source: Company

8.54 As stated at paragraph 6.31 the Company holds 45 million shares in Chrometco Limited, a company listed on the Johannesburg Stock Exchange ("JSE"). These have been restated at fair value as at 24 August 2018 based on their listed share price of ZAR0.17 and an exchange rate of 1AUD:10.5ZAR.

8.55 Other non-current assets represent the rehabilitation guarantee.

8.56 The other assets and liabilities, excluding cash, of NKP are incorporated in the Garatouw Mine Plan financial model.

Net cash

8.57 NKP's had cash and cash equivalents of $7.8 million as at 30 June 2018 less interest-bearing liabilities of $6.4 million, representing the loan provided by Gold Mountain in May 2018.

Quoted price of listed securities – secondary method

8.58 In order to provide a comparison and cross check to our valuation of an NKP share using the sum of parts, we have considered the recent quoted market price for NKP Shares on the ASX prior to the announcement of the Offer.

8.59 For the Quoted Price of Listed Securities methodology to represent a reliable indicator of Fair Value, there needs to be an active and liquid market for the Shares.

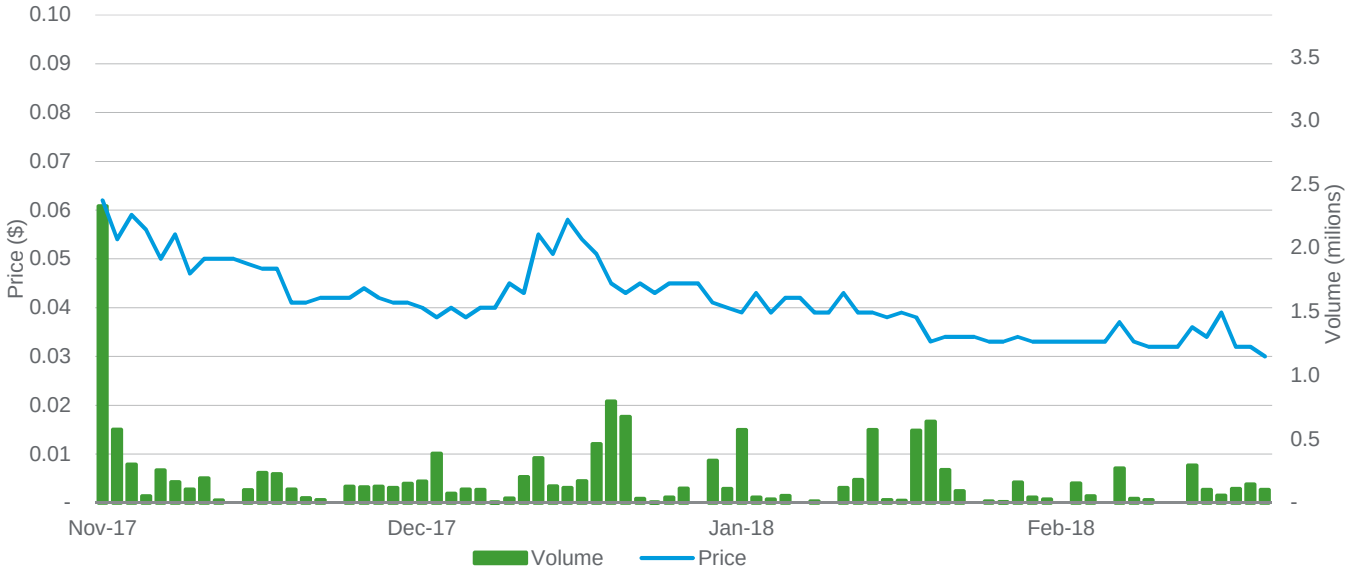
8.60 The following characteristics may be considered to be representative of a liquid and active market:

- Regular trading in the Company's securities;
- Approximately 1% of a Company's securities are traded on a weekly basis;
- The bid/ask spread of a Company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of the Company; and
- There are no significant but unexplained movements in the share price.

Analysis of recent trading in NKP Shares

8.61 The figure below sets out a summary of NKP's closing share price and volume of NKP from the date of reinstatement to official quotation on the ASX of 17 November 2017 to 15 March 2018, being the last trading day prior to the announcement of the non-binding proposal which proceeded the Amalgamation.

Figure 11 NKP daily closing share price and traded volumes



Source: S&P Capital IQ

8.62 Since the Company's reinstatement to the official quotation on 17 November 2017 to 15 March 2018, being the last trading day prior to the announcement of the Offer, NKP Shares traded at a high of $0.062 and a low of $0.03. Trade volumes over this period were low and infrequent, with just 1.59% of the Company's shares traded prior to the announcement.

8.63 To provide further analysis of the quoted market prices for NKP's Shares, we have considered the VWAP over a number of trading day periods since the Company's reinstatement to the official quotation on 17 November 2017 and 15 March 2018, being the last trading day prior announcement of the Amalgamation on 19 March 2018. An analysis of the volume in trading in NKP's Shares for the 1, 5, 10, 30 and 60-day trading periods is set out in the table below:

Table 20 Traded volumes of NKP shares to 15 March 2018

# of Days	1 Day	5 Day	10 Day	30 Day	60 Day
VWAP	0.030	0.033	0.034	0.036	0.041
Total Volume (000's)	100.0	510.8	854.5	4,021.8	9,258.3
Total Volume as a % of Total Shares	0.01%	0.06%	0.10%	0.45%	1.03%
Low Price	0.030	0.030	0.030	0.030	0.030
High Price	0.030	0.039	0.039	0.043	0.058

Source: S&P Capital IQ

8.64 The table above shows that 1.03% of the Company's securities were traded in the 60 trading days prior to the announcement. This is indicative of a highly illiquid stock.

Value of NKP Share on a non-control minority basis

8.65 In our opinion, the weighted average share price of NKP over the last 30 to 60 days is most reflective of the underlying value of a share. As such, we consider a range of values of between $0.036 and $0.041 (30 to 60 day VWAP) reflects the quoted market price valuation of a NKP share on a minority basis prior to the Amalgamation.

Value of NKP Share on a control basis

8.66 Our valuation of a NKP Share on the basis of the recent quoted market price, including a premium for control, is between $0.047 and $0.057 as summarised in the table below.

Table 21 Assessed value of a NKP share – quoted price of listed securities

$	Ref	Low	High	Midpoint
30 Day VWAP of a NKP Share at 15 March 2018	8.65	$ 0.036	$ 0.041	$ 0.038
Add premium for control	8.68	30%	40%	35%
Quoted market price controlling value		**$ 0.047**	**$ 0.057**	**$ 0.052**

Source: RSM analysis

Key assumptions

Control premium

8.67 The value derived at paragraph 8.66 is indicative of the value of a marketable parcel of NKP shares assuming the Shareholder does not have control of NKP. Accordingly, the value needs to be adjusted from a minority value to a control value by including a control premium.

8.68 In selecting a control premium, we have given consideration to the RSM 2017 Control Premium Study. The study performed an analysis of control premiums paid over an 11-year period to 30 June 2016 in 463 successful takeovers and schemes of arrangements of companies listed on the ASX. Our study concluded that, on average, control premiums in takeovers and schemes of arrangements involving Australian companies in the mining sectors was in the range of 30% to 40%. In valuing an ordinary NKP share prior to the Amalgamation using the quoted price of listed securities methodology we have reflected a premium for control in the range of 30% to 40%.

Valuation summary and conclusion

8.69 A summary of our assessed values of an ordinary NKP share on a control basis prior to the Amalgamation, derived under the two methodologies, is set out in the table below.

Table 22 NKP share valuation summary

$	Ref	Low	High	Midpoint
Sum of parts (undiluted)	8.2	$0.080	$0.148	$0.114
Quoted market price	8.66	$0.047	$0.057	$0.052
Preferred value – control basis	8.73	**$0.080**	**$0.148**	**$0.114**

Source: RSM analysis

8.70 In our opinion, we consider the sum of parts valuation approach provides a better indicator of the Fair Value of a NKP share than the quoted market price methodology.

8.71 We note that NKP is an illiquid stock with only 1% of shares traded in the 60 days prior to the announcement, and therefore we do not consider that NKP shares have a deep traded market.

8.72 Factors that could contribute to the variation in values assessed under sum of parts to the quoted market price could include:

- Presence of a controlling shareholder (approximately 60% holding) on the NKP share register;
- Investment required to finance the development of the Garatouw Mine which may result in significant dilution of shareholders interests; and
- Working capital funding issues.

8.73 In our opinion, the Fair Value of a NKP share is between $0.080 and $0.148 per share on a controlling and undiluted basis.

9. Does the Amalgamation constitute Fair Value for each NKP Share?

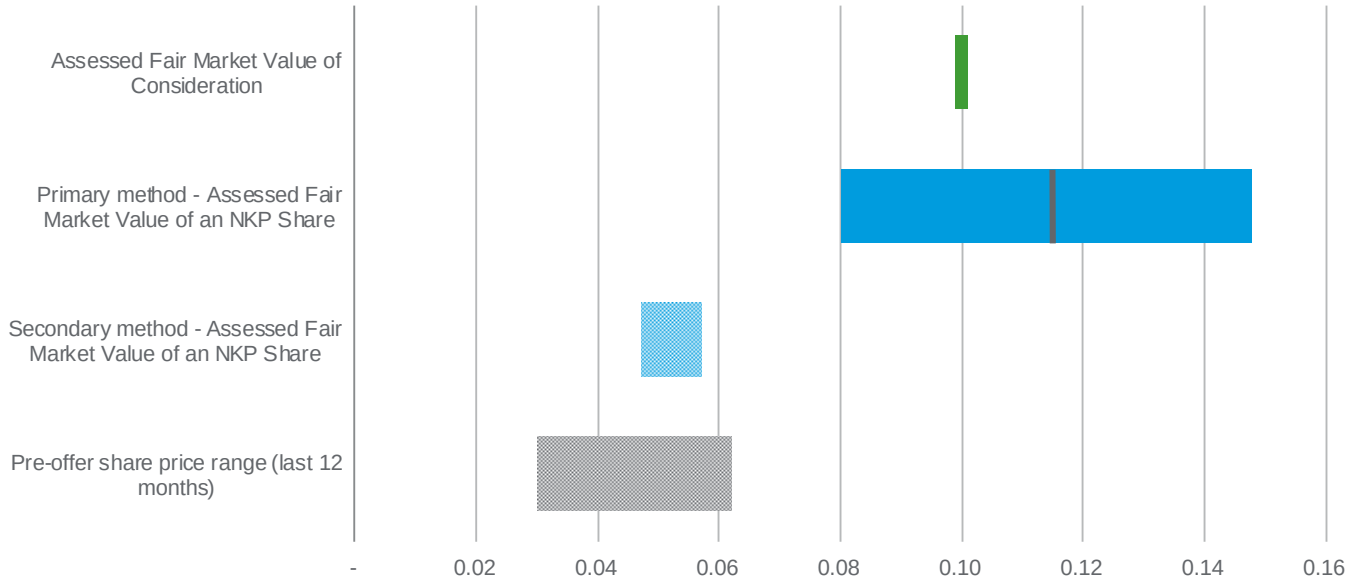
9.1 Our assessed values of an NKP Share are summarised in the table and figure below.

Table 23 Assessed values of an NKP Share pre and post the Proposed Transaction

Assessment of fairness	Ref	Value per Share	
		Low	High
		$	$
Fair value of Consideration	3.1	$0.100	$0.100
Fair value of a NKP Share – Control basis	8.2	$0.008	$0.148

Source: RSM analysis

Figure 12 NKP Share valuation graphical representation



Source: RSM Analysis

9.2 In accordance with the clause 4(b)(4) of the Amalgamation Agreement, and in the absence of any other relevant information, for the purposes of providing a Fairness Opinion, we consider that the Consideration constitutes fair value for each NKP Share, as the value of the Consideration is within the range of our assessed fair value of an NKP Share.

Yours faithfully

RSM CORPORATE AUSTRALIA PTY LTD

N MARKE
Director

G YATES
Director

APPENDICES

A. DECLARATIONS AND DISCLAIMERS

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM) a large national firm of chartered accountants and business advisors.

Ms. Nadine Marke and Mr Glyn Yates are directors of RSM Corporate Australia Pty Ltd. Both Ms Marke and Mr Yates are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of the Company in considering the Amalgamation. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose.

Reliance on Information

Statements and opinions contained in this report are given in good faith. In the preparation of this report, we have relied upon information provided by the Directors and management of NKWE Platinum Limited and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of this report, none of RSM Corporate Australia Pty Ltd, RSM, Nadine Marke, Glyn Yates, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Amalgamation, except that RSM Corporate Australia Pty Ltd are expected to receive a fee of approximately $105,000 based on time occupied at normal professional rates for the preparation of this report. The fees are payable regardless of NKWE Platinum Limited receives Shareholder approval for the Amalgamation, or otherwise.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this report in the form and context in which it is included with the Notice to be issued to Shareholders. Other than this report, none of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd or has been involved in the preparation of the Notice. Accordingly, we take no responsibility for the content of the Notice.

B. SOURCES OF INFORMATION

In preparing this Report we have relied upon the following principal sources of information:

- Audited financial statements for NKP for the years ended 31 December 2016 and 31 December 2017;
- Management accounts on NKP for the 6 months ended 30 June 2018;
- Draft and final copies of the Amalgamation Agreement;
- Garatouw Financial Model;
- ASX announcements of NKP;
- Independent Technical assessment and Valuation, Garatau Project;
- IBIS World;
- S&P Capital IQ database; and
- Discussions with Independent Directors, Management and staff of NKP.

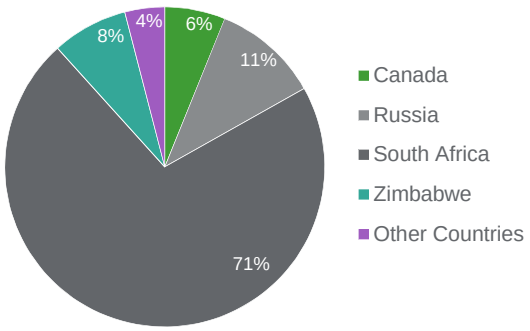
C. INDUSTRY PROFILE

Platinum group industry analysis

Production

South Africa currently dominates the global Platinum Group Industry Sector ("PGM") with approximately 71% of global platinum production and 37% of global palladium production occurring in the country. The figure below shows the global platinum production split between countries in 2017.

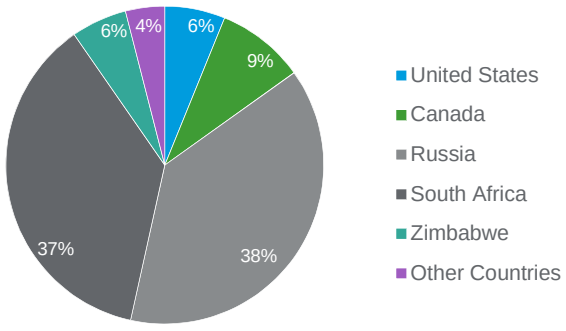
Figure 13 Global platinum production 2017



Source: US Geological Survey

Russia is the world's largest producer of Palladium, producing 38.5% of global supply in 2017. The figure below shows the global palladium production split between countries in 2017. The figure below shows the global palladium production split between countries in 2017.

Figure 14 Global palladium production 2017



Source: US Geological Survey

The world resources of PGMs are estimated to be in excess of 100 million kilograms and the world's largest PGM reserves are located in the Bushveld Complex in South Africa.

Overview

Platinum and palladium are soft, ductile, have a high temperature corrosion and are resistant to corrosion. Both these metals are generally used in conjunction with other PGM's and metals. Rhodium and Iridium are difficult to work, however are valuable either alone or when used in alloys.

Platinum is predominantly used in catalytic converters for diesel motor vehicles and jewellery. Palladium is predominantly used in catalytic converters for motor vehicles.

Total supply of platinum has remained relatively constant over the past three years despite a difficult operating environment which has seen producers continue to experience sporadic disruptions to their mining activities, mainly due to community unrest and safety stoppages.

Key drivers

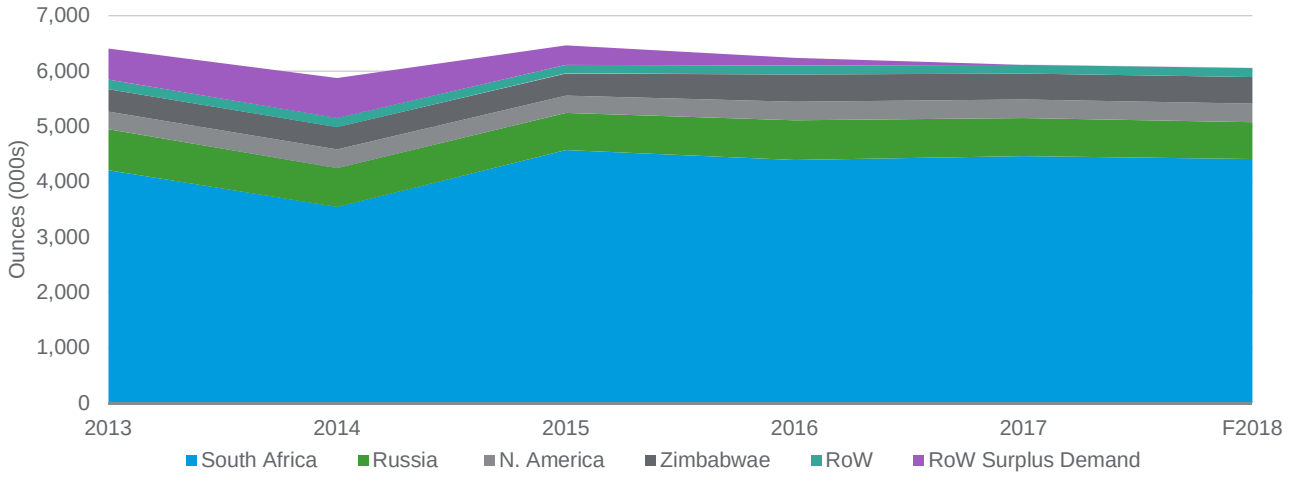
Exploration and production of PGMs are largely driven by the following key factors:

- Global supply and demand
- PGM prices
- Global economic conditions
- Regulatory conditions

Global supply

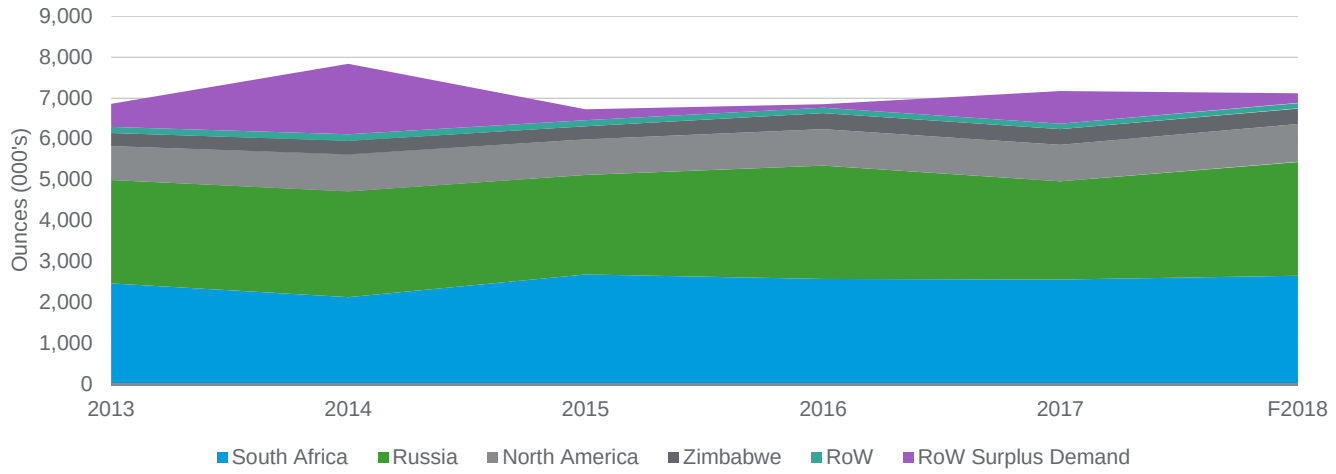
The figure below shows South Africa dominating platinum global supply. Since 2015 there has been a decrease in the net demand for platinum, which has been primarily driven by the increase in recycling of platinum used in automotive catalytic converters. In 2017 there was a deficit in net demand for platinum and this trend is predicted to continue into 2018.

Figure 15 Platinum gross global supply and demand



Source: Johnson Matthey

Figure 16 Palladium gross global supply and demand



Source: Johnson Matthey

Demand

Global demand for PGMs is largely driven by its purpose and application in the automotive and jewellery industry.

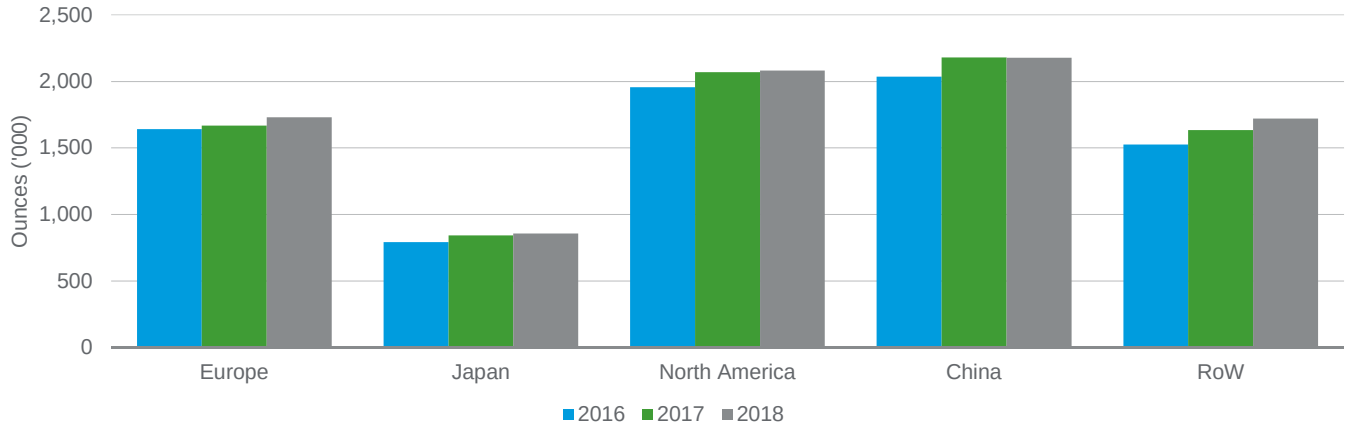
In 2017, it was estimated that approximately 41 percent of platinum and 83 percent of palladium was demanded for use in automotive catalytic converters, primarily driven by Europe.

Between 2016 and 2017, the demand for automotive catalytic converters grew by approximately 6% to set a record of 8.39 million ounces despite constrained growth in motor vehicle production for the two-world leading palladium consuming automotive markets. China's output for gasoline cars grew by just 1%; the slowest growth in a twelve-month period within the last decade. North America experienced a 9% decrease in production of motor vehicles as some of their motor vehicle producers slowed production in response to excess inventory. However, the impact of slowed production in both regions was largely outweighed by increases in palladium content required for gasoline catalyst systems.

It is forecasted that as the number of motor vehicles on the road increases, governments will increasingly apply stricter emission standards which will lead to greater use of catalyst metals which include platinum, palladium and rhodium.

China, the world's largest palladium user increased its demand for automotive catalytic converters in 2017 following its nationwide implementation of China 5 emissions limits for gasoline vehicles. The impact of automotive catalyst converter sales is shown in the graph below.

Figure 17 Palladium gross demand for Automotive catalytic converters by country



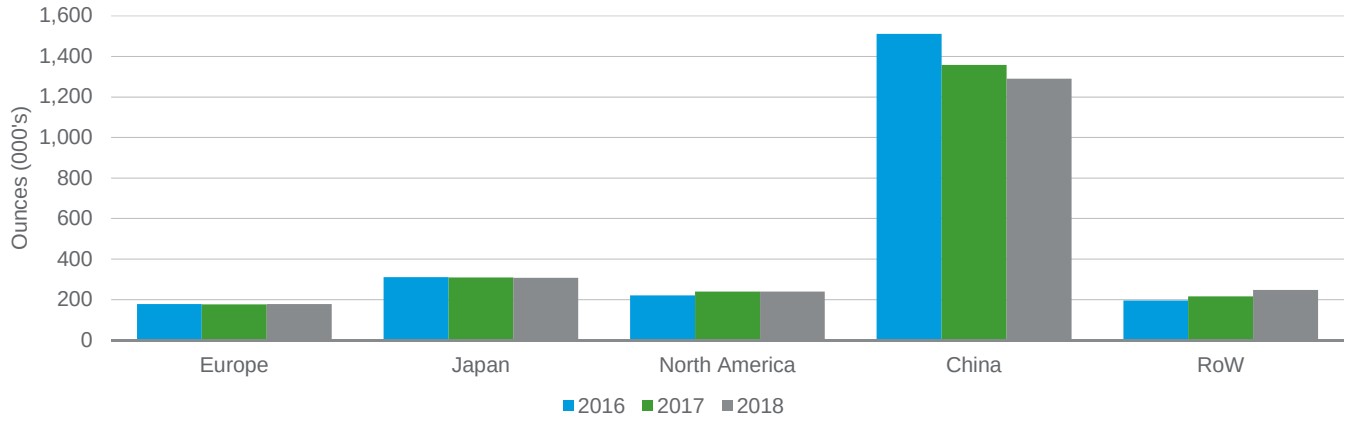
Source: Johnson Matthey 2018

Jewellery is the second largest sector of PGM demand behind automotive catalytic converters. The demand for platinum jewellery accounted for approximately 28 percent of total demand of platinum in 2017.

China is the largest consumer of platinum jewellery, accounting for 58 percent of total platinum jewellery demand. However, the Chinese platinum jewellery market has faced difficult conditions over the past three years, and is predicted to struggle in the immediate future. The majority of jewellery sales in China consist of gold which is purchased as a store of value, however, Chinese demand for gold declined significantly in 2016 and the for first half of 2017 which led to a collapse in revenue, causing consolidation of the retail network, the closure of stores or recycling of jewellery.

During the second half of 2017 there was an improved outlook for the Chinese gold jewellery market according to the World Gold Council which is expected to relieve some of pressure faced by retailers in 2016 and the first half of 2017. Additionally, platinum jewellery pricing is moving towards per piece pricing along with signs that retailers are improving designs of platinum jewellery. These factors are set to slow the decline in demand for platinum in 'consuming applications' to 1% for 2018.

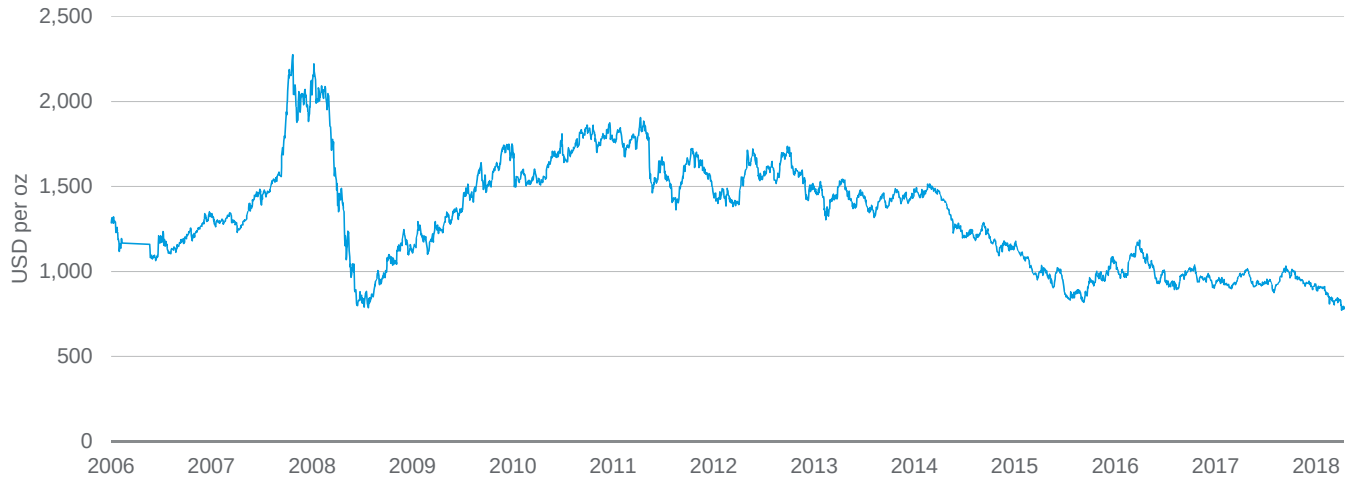
Figure 18 Platinum gross demand for jewellery by country



Source: Johnson Matthey 2018

Prices

Figure 19 Historical platinum prices



Source: S&P Capital IQ

Global platinum prices, like other commodities, experienced a large decline following the global financial crises in 2008. In 2009, platinum prices rebounded strongly due to a weakening US dollar, strong Chinese gold market, a buoyant gold price and a steady return on investment interest.

Since its rebound in price throughout 2009 and 2010, platinum prices have been in steady decline due to financial contract trading, volatile gold prices and a slow-down in the growth of the Chinese economy.

Figure 20 Historical palladium prices

Source S&P Capital IQ

Palladium prices also experienced a sharp decline during the 2008 global financial crises, however prices have experienced much stronger growth trends than Platinum since 2009. This growth has been attributed to the increase in the demand for palladium for its use in automotive catalytic converters.

Outlook

The demand for platinum use in automobile catalytic converters is set for moderately erode in 2018 due to a decrease in average loadings on European diesel vehicles. Demand for platinum jewellery fabrication in China is set to decline for its fifth consecutive year.

The decline in platinum demand as stated above is expected to be more than offset by the increase in demand of platinum for the purposes of new LCD and fibreglass facilities, whilst chemical demand will remain at high levels. This increase is forecasted to see global platinum consumption increase slightly.

Following a 6 percent increase in the demand for palladium in automotive catalytic converter in 2017 as a result of legislation limiting Nitrogen Oxide Emissions, it is expected that demand will slow in 2018.

The recent price increase in palladium to over $1,000 per ounce is likely to see most investors ‘in the money’, however it is forecasted that there is still potential for further profit taking and it is predicted that Exchange Traded Fund investors are prepared to wait for higher prices before selling palladium stock.

Legislative changes on gasoline vehicles are likely to largely influence the demand of automobile catalytic converters in the coming years. Europe is expected to increase PGM holdings in the short term to comply with Euro 6d legislation which will restrict Nitrogen Oxide emissions, whereas China is preparing to meet new emissions legislation in July 2020 that is expected to have a significant positive impact on the demand for palladium.

D. DISCOUNT RATE ASSESSMENT

When assessing an appropriate discount rate to use in a discounted cash flow valuation, due regard must be given to the rates of return available in the marketplace, the degree of risk attached to the business, shares or project and the required rate of return.

Businesses are normally funded by a mix of debt and equity. The Weighted Average Cost of Capital ("WACC") is a widely used and accepted basis to calculate the "representative" rate of returns required by debt and equity investors. We have applied the WACC methodology to determine an appropriate discount rate to be used in assessing the fair value of Range cashflows.

The Capital Asset Pricing Model ("CAPM") is the most frequently used model in determining the cost of equity of an investment or project and the required rate of return for debt funding is determined having regard to current borrowing costs and prevailing credit ratings. The cost of equity and cost of debt are weighted by the respective proportions of equity and debt funding to arrive at the WACC.

WACC

The generally accepted WACC formula is the post-tax WACC as shown below:

$$WACC = \left[R_e \times \frac{E}{V}\right] + \left[R_d \times (1 - t_c) \times \frac{D}{V}\right]$$

Where:

R_e	=	Expected equity investment return or cost of equity
R_d	=	Interest rate on debt (pre-tax)
t	=	Corporate tax rate
E	=	Market value of equity
D	=	Market value of debt
V	=	Market value of debt plus equity

CAPM

The CAPM is based on the theory that the prudent investor will price investments so that the expected return is equal to the risk-free rate of return plus a premium for risk. CAPM assumes that there is a positive relationship between risk and return; that is, investors are risk averse and therefore demand higher returns for accepting higher levels of risk.

The CAPM calculates the cost of equity through the following formula:

$$R_e = R_f + \beta(R_m - R_f) + \alpha$$

Where:

R_e	=	Required return on equity.
R_f	=	Risk free rate of return.
$E(R_m)$	=	Expected return on the market.
$E(R_m) - R_f$	=	Market risk premium
β	=	Beta
α	=	Specific company risk premium

We have considered each component of the CAPM below.

Risk free rate - Rf

We have assumed a risk-free rate of 8.4% being the yield on the 10-Year South African Government Bond. We have used the 10-year bond rate as this is typically used as a proxy for the long-term risk-free rate. The risk-free rate is the five year average to 24 August 2018 and represents the nominal rate, thus it is inclusive of inflation. The 10-year South African Government Bond yield has been sourced from the South African Reserve Bank.

Market Risk Premium – E(Rm) - Rf

Market risk premium represents the level of return investors require over and above the risk-free rate in order to compensate them for the non-diversifiable risks associated with an investment in a market portfolio. Strictly speaking, the market risk premium is equal to the expected return from holding shares over and above the return from holding risk-free government securities.

Various empirical studies undertaken show that historical market risk premiums vary across markets; the US market is generally in line with the overall range of other developed countries but is slightly higher than the world average.

Having regard to this information, we have assumed a market risk premium of 6.0% in our determination of the discount rate.

Beta - β

The beta coefficient measures the systematic risk of the company compared to the market as a whole. A beta of 1 indicates that the company's risk is comparable to that of the market.

The choice of a beta requires judgement and necessarily involves subjective assessment as observations of beta in comparable companies may be subject measurement issues and other variations. Accordingly, depending upon circumstance, a sector average, or a basket of comparable companies may present a more reliable beta, rather than relying on a single comparable company.

Beta can be expressed as an equity beta (which includes the effect of gearing on equity returns) or as an asset beta (where the impact of gearing is removed). The asset beta will be lower than the equity beta for any given investments, with the difference dependent upon the level of gearing in the capital structure.

The selection of an appropriate beta involves a degree of professional judgement, particularly where the performance drivers of the company being valued are not directly aligned with the most comparable listed companies.

The comparable company data included in the table below illustrates the observed beta coefficients for public listed companies we consider most comparable to NKP, compared to relevant local indices and also the MSCI all countries world index (ACWI).

In assessing companies comparable to the NKP, we have considered listed public companies globally with a principal focus in the development of platinum group minerals in South Africa.

The ungeared equity betas for the companies selected ranged from a low of 0.06 to a high of 3.93, with an average of 1.17 and 1.23 for the local index and MSCI ACWI respectively, as set out in the table below. We also note that the South African-based companies with assets in the Bushveld Complex have an average beta of 1.29 and 1.38 for the local index and MSCI ACWI respectively.

We have therefore concluded on an unlevered beta range of between 1.15 and 1.30. While the comparable companies below show a broad range in debt to equity structures, we consider that a ratio of 10% debt to 90% equity is an appropriate funding structure for an asset such as the Garatouw Project. We have therefore re-levered the beta at our preferred debt to equity ratio for the Garatouw Project, resulting in a levered beta of between 1.188 and 1.350.

Company	Market cap. (US$M)	5-year average D/E (%)	Local 5-year monthly beta	Local 5-year monthly (unlevered)	MSCI ACWI 5-year monthly beta	MSCI ACWI 5-year monthly (unlevered)
Nkwe Platinum Limited	**59.1**	**0.0%**	**0.04**	**0.04**	**0.01**	**0.01**
Sylvania Platinum Limited	74.3	0.0%	0.47	0.53	0.73	0.73
Bauba Platinum Limited	18.5	0.0%	0.97	1.23	1.75	1.75
Eastern Platinum Limited	17.8	nm	nm	nm	0.15	0.15
Royal Bafokeng Platinum Limited	319.2	0.0%	1.00	0.77	1.35	1.35
North American Palladium Ltd.	423.6	30.8%	2.32	2.10	1.51	1.19
Impala Platinum Holdings Limited	839.7	37.9%	1.43	1.05	1.41	1.11
Northam Platinum Limited	906.0	38.5%	1.21	0.72	1.59	1.24
Jubilee Metals Group PLC	39.6	0.0%	0.61	0.61	0.48	0.48
Lonmin Plc	141.8	0.0%	3.16	3.46	3.93	3.93
Atlatsa Resources Corporation	16.9	nm	nm	nm	0.96	0.11
Wesizwe Platinum Limited	43.2	420.1%	0.38	0.06	0.65	0.16
Platinum Group Metals Ltd.	30.2	0.0%	2.41	1.20	2.61	2.61
Min	**16.9**	**0.0%**	**0.38**	**0.06**	**0.15**	**0.11**
Average	**239.2**	**52.7%**	**1.40**	**1.17**	**1.43**	**1.23**
Median	**58.8**	**0.0%**	**1.11**	**0.91**	**1.38**	**1.15**
Max	**906.0**	**420.1%**	**3.16**	**3.46**	**3.93**	**3.93**

Source: S&P Capital IQ and RSM analysis

We provide descriptions of the comparable companies in Appendix E below.

Tax Rate

We have adopted 28% being the effective tax rate for South Africa.

Company specific risk premium

We do not consider a specific company risk premium to be necessary for the Garatouw Project as we consider the beta selected capture the relevant risks of the project.

Cost of debt

We have estimated a pre-tax cost of debt for the Garatouw Project of 10.42% to 10.92%, comprising a 350 to 400 basis point premium to the three-month Johannesburg Interbank Agreed Rate (JIBAR). This has been estimated after considering the following:

- NKP does not have a credit rating on which to base a suitable debt margin and would not be regarded as investment grade. NKP would likely be required to pay a debt margin greater than the lowest investment grade bond, being BBB;
- the average yield on long term (greater than five years remaining to maturity) outstanding corporate debt in the material sector with a long-term issuer credit rating lower than BBB is approximately 10.4%. We note this average includes companies which do not have a credit rating; and
- our selected level of gearing for the Company.

We have assumed that the best capital structure to employ for the Garatouw Project is the current debt to equity value of approximately 10% debt to equity (D/E = 11.1%), as discussed in the beta section above.

WACC summary

We set out the detailed calculation of the WACC in the table below.

WACC	Min	Max
Beta:		
Unlevered Beta	1.150	1.300
Marginal Tax Rate	28.00%	28.00%
Target Capital Structure:		
Debt	10.00%	10.00%
Equity	90.00%	90.00%
D/E	11.11%	11.11%
Levered Beta	**1.242**	**1.404**
Cost of Equity		
Risk Free Rate	8.40%	8.40%
Market Risk Premium	6.00%	6.00%
Alpha (specific premium)	0.00%	0.00%
Cost of Equity	**15.9%**	**16.8%**
Cost of debt:		
Risk Free Rate	6.92%	6.92%
Margin	3.50%	4.00%
Pre-tax cost of Debt	**10.42%**	**10.92%**
Post-Tax cost of Debt	**7.50%**	**7.86%**
Calculated WACC	15.0%	15.9%
Mid-point	**15.5%**	
Inflation[1]	5.20%	5.20%
Real rate	**9.34%**	**10.20%**
Say	**9.30%**	**10.20%**
Preferred	**9.75%**	

Source: S&P Capital IQ and RSM analysis
Notes:
1. South African forecast inflation rate

Based on the assumptions set out above, we have assessed the post-tax, real WACC to be in the range of 9.3% to 10.2% with a preferred discount rate of 9.75%.

E. COMPARABLE COMPANIES

Company (ticker)	Company description
Sylvania Platinum Limited (AIM:SLP)	Sylvania Platinum Limited invests in mineral exploration and mineral treatment projects in South Africa. It primarily explores for platinum, palladium, rhodium, and gold ores. The company holds interests in the Sylvania dump operations, Northern Limb project, and Volspruit project. Sylvania Platinum Limited is based in Hamilton, Bermuda.
Bauba Platinum Limited (JSE:BAU)	Bauba Platinum Limited engages in the exploration, evaluation, and development of mineral properties in South Africa. It holds interest in the Bauba platinum project comprising eight properties covering an area of approximately 14,390 hectares located in the eastern limb of the Bushveld Igneous Complex; and the Bauba chrome project on the farm Moeijelijk 412KS in the Limpopo province. The company is based in Bryanston, South Africa. Bauba Platinum Limited is a subsidiary of Highland Trading Investments Limited.
Eastern Platinum Limited (TSX:ELR)	Eastern Platinum Limited, together with its subsidiaries, engages in the mining, exploration, and development of platinum group metal (PGM) and chrome assets in South Africa. Its PGM deposits include platinum, palladium, rhodium, iridium, ruthenium, and osmium. The company principally holds a 87.5% interest in the Crocodile River Mine located on the western limb and the Kennedy's Vale project located on the eastern limb of Bushveld Complex; a 87% interest in the Mareesburg project situated on the eastern limb of the Bushveld Complex; and a 93.4% interest in the Spitzkop project located on the eastern limb of the Bushveld Complex. Eastern Platinum Limited was founded in 1989 and is headquartered in Vancouver, Canada.
Royal Bafokeng Platinum Limited (JSE:RBP)	Royal Bafokeng Platinum Limited, together with its subsidiaries, engages in mining and producing platinum group metals. The company explores for platinum, palladium, gold, rhodium, iridium, ruthenium, nickel, copper, and cobalt. It holds a 67% participation interest in the Bafokeng Rasimone Platinum Mine joint venture; and focuses on developing Styldrift I and Styldrift II projects located in the North West province of South Africa. The company was incorporated in 2008 and is based in Johannesburg, the South Africa. Royal Bafokeng Platinum Limited is a subsidiary of Royal Bafokeng Platinum Holdings Proprietary Limited.
North American Palladium Ltd. (TSX:PDL)	North American Palladium Ltd. produces precious metals in Canada. It explores for palladium, platinum, gold, nickel, copper, and other metals. It primarily holds interest in the Lac des Iles mine that is located to the northwest of Thunder Bay, Ontario. The company was founded in 1968 and is headquartered in Toronto, Canada.
Impala Platinum Holdings Limited (JSE:IMP)	Impala Platinum Holdings Limited engages in mining, processing, refining, and marketing platinum and associated platinum group metals (PGMs) in South Africa and Zimbabwe. It operates through Mining Operations, Refining Services, Chrome Processing, and Other segments. The company produces platinum, palladium, and rhodium, as well as nickel. It has operations on the PGM-bearing ore bodies, including the Bushveld Complex located in South Africa; and the Great Dyke situated in Zimbabwe. The company also provides smelting and refining services. Impala Platinum Holdings Limited is headquartered in Johannesburg, South Africa. Impala Platinum Holdings Limited(JSE:IMP) operates independently of Remgro Limited as of June 25, 2012.
Northam Platinum Limited (JSE:NHM)	Northam Platinum Limited engages in mining, refining, marketing, and selling platinum group metals and its by-products in South Africa, Europe, Japan, North America, and Australia. It explores for platinum, palladium, rhodium, gold, chrome, copper, and others. The company primarily holds interests in the Zondereinde mine covering approximately 7,625 hectares of land located in the northern portion of the western limb of the Bushveld complex; and the Booysendal mine comprising approximately 17, 986 hectares of land located in the southern compartment of the eastern limb of the Bushveld complex. Northam Platinum Limited was incorporated in 1977 and is based in Johannesburg, South Africa.
Jubilee Metals Group PLC (AIM:JLP)	Jubilee Metals Group PLC primarily engages in the exploration and exploitation of natural resources in South Africa, Australia, Madagascar, Mauritius, and the United Kingdom. It explores for platinum group elements, gold, nickel, and copper ores. The company's flagship project is the Tjate platinum project covering an area of 5,140 hectares in South Africa. It is also involved in the evaluation of the reclamation and processing of sulphide nickel tailings. The company was formerly known as Jubilee Platinum Plc and changed its name to Jubilee Metals Group PLC in December 2017. Jubilee Metals Group PLC was incorporated in 2002 and is based in London, the United Kingdom.
Lonmin Plc (LSE:LMI)	Lonmin Plc explores, mines, refines, and markets platinum group metals in South Africa, the Americas, Asia, and Europe. The company explores for platinum, palladium, rhodium, iridium, ruthenium, and gold, as well as chrome, nickel, copper, and cobalt deposits. Its flagship property is the Marikana mine located on the Western Limb of the Bushveld igneous complex in South Africa. The company was founded in 1909 and is headquartered in Melrose North, South Africa.

Company (ticker)	Company description
Atlatsa Resources Corporation (TSX:ATL)	Atlatsa Resources Corporation, together with its subsidiaries, engages in the exploration and mining of platinum group metal properties in the Republic of South Africa. It owns interests in the Bokoni mine located on the north-eastern limb of the Bushveld Complex; and the Kwanda Project located in the bushveld complex. The company was formerly known as Anooraq Resources Corporation and changed its name to Atlatsa Resources Corporation in May 2012. The company was incorporated in 1983 and is headquartered in Johannesburg, South Africa. Atlatsa Resources Corporation is a subsidiary of Atlatsa Holdings Proprietary Limited.
Wesizwe Platinum Limited (JSE:WEZ)	Wesizwe Platinum Limited, through its subsidiaries, explores for and develops mineral properties in South Africa. The company primarily explores for platinum, palladium, rhodium, and gold. Its flagship project is the Bakubung platinum mine located on the Western Limb of the Bushveld Igneous Complex in the North West province of South Africa. Wesizwe Platinum Limited was incorporated in 2003 and is headquartered in Johannesburg, South Africa.
Platinum Group Metals Ltd. (TSX:PTM)	Platinum Group Metals Ltd. operates as a platinum-focused exploration and development company in the Republic of South Africa and Canada. It primarily explores for platinum, palladium, rhodium, gold, ruthenium, iridium, nickel, copper, chromium, and vanadium deposits. The company's key development project and exploration targets are located in the Bushveld Complex in South Africa. Platinum Group Metals Ltd. is headquartered in Vancouver, Canada.

F. GLOSSARY OF TERMS

Term or Abbreviation	Definition
4E	Platinum, palladium, rhodium and gold
A$	Australian dollar
Act	Corporations Act 2001 (Cth)
Amalgamation	Acquisition of 100% of the issued shares in NKP which Zijin does not already own for cash consideration of $0.10 per share
Announcement Date	17 August 2018, the date on which the Amalgamation was announced
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of ASX as amended from time to time
Au	Gold
Chrometco	Chrometco Limited
CNY	Chinese Renminbi
Company	Nkwe Platinum Ltd
Control basis	As assessment of the Fair Value on an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
CSA	CSA Global Pty ltd
Department	South African Department of Mineral Resources
Directors	Directors of the Company
Explanatory Statement	The explanatory statement accompanying the Notice
Fair Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
Garatouw	Garatouw Project
IER	This Independent Expert Report
Jin Jiang	Jin Jiang Mining Limited
JSE	Johannesburg Stock Exchange
LOM	Life of mine
Model	Garatouw Mine Plan cashflow to 2050
NKP	The Company
Non-Associated Shareholders	Shareholders who are not a party, or associated to a party, to the Amalgamation
Notice	The notice of special general meeting to vote on, inter alia, the Amalgamation

Term or Abbreviation	Definition
Option or Options	Unlisted options to acquire Shares with varying vesting conditions
Pd	Palladium
PGM	Platinum Group Metals
Pt	Platinum
Report	This Independent Expert's Report prepared by RSM dated [insert]
Resolution	The resolutions set out in the Notice
RG 111	ASIC Regulatory Guide 111 Content of Expert Reports
Rh	Rhodium
RSM	RSM Corporate Australia Pty Ltd
S&P Capital IQ	An entity of Standard and Poors which is a third party provider of company and other financial information
Share or NKP Share	Ordinary fully paid share in the capital of the Company
Shareholder	A holder of Share
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015)
VWAP	Volume weighted average share price
ZAR	South African Rand
Zijin	Zijin Mining Company Limited

G. INDEPENDENT TECHNICAL ASSESSMENT AND VALUATION BY CSA GLOBAL PTY LTD - GARATAU PROJECT

CSA Global
Mining Industry Consultants

INDEPENDENT TECHNICAL ASSESSMENT AND VALUATION

Garatau Project

CSA Global Report № R235.2018
12 September 2018

www.csaglobal.com

Report prepared for

Client Name	RSM Corporate Australia Pty Ltd
Project Name/Job Code	NKWITV01
Contact Name	Andy Gilmour
Contact Title	Director
Office Address	Level 32 Exchange Tower, 2 The Esplanade, Perth WA 6000

Report issued by

CSA Global Office	**CSA Global Pty Ltd** Level 2, 3 Ord Street, West Perth, WA 6005 AUSTRALIA PO Box 141, West Perth WA 6872 AUSTRALIA T +61 8 9355 1677 F +61 8 9355 1977 E csaaus@csaglobal.com
Division	Corporate

Report information

File Name	R235.2018 Nkwe Platinum ITAVR (NKWITV01)
Last Edited	11/09/2018 9:45:00 AM
Report Status	Final

Authorisation Signature

CSA Global Authorisation	Graham Jeffress BSc (Hons) App Geol, RPGeo (Mineral Exploration), FAIG, FAusIMM, FSEG, MGSA	Signature:	Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication.

Executive Summary

Nkwe Platinum Ltd ("Nkwe" or "the Company") is an ASX-listed company involved in platinum projects in the Limpopo Province of the Republic of South Africa.

The Directors of Nkwe have engaged RSM Corporate (Australia) Pty Ltd (RSM) to prepare an Independent Valuation Report (IER) in relation to the proposed takeover offer of Nkwe by Zijin Mining Group Co. Ltd (Zijin) ("Proposed Transaction"). RSM in turn commissioned CSA Global Pty Ltd (CSA Global) to prepare an Independent Technical Assessment Report in relation to the Garatau Platinum Project and a Valuation Report of other exploration assets of Nkwe, including resources not included in the cash flows of the Garatau Project (the "Report" or "ITAVR"). The review and valuation report, or a summary of it, is to be appended to the IER, and as such, will become a public document.

Garatau Project[1]

The Garatau Platinum Project is Nkwe's most advanced project. The Company owns 74% of a mining right over the Garatau Project, located in the Eastern Limb of the Bushveld Igneous Complex.

The mining right is granted in respect of chrome, cobalt, copper, nickel, gold and platinum group metals, in three individual but contiguous farms (Garatouw 282KT, Hoepakrantz 291KT and De Kom 252KT), over approximately 5,300 ha situated near Steelpoort in the Sekhukune district of the Limpopo Province.

The surrounding region has been historically, and is currently, active in the production of platinum and chrome. As such, there is an extensive road and railway network with large amounts of industrial and social infrastructure established in the region.

CSA Global completed a site visit on 24 April 2018, and reviewed some exploration drill holes and sampling sites, and the proposed site and surface layout. Nkwe completed a feasibility study for the Garatau Project in 2012.

Nkwe plans to develop its mining right in phases, with the first mine to be established on the Garatouw 282KT farm. Nkwe completed a feasibility study at the Garatau Project area in 2010, which considered extracting ore from both the Merensky Reef and the UG2 Reef on the Garatouw 282KT farm.

In 2011, Nkwe embarked upon a review process of the feasibility study with the main aim to reduce the initial capital and operating costs and to generate earlier revenue. The optimised feasibility study was completed in 2012. Importantly, a strategic decision was taken to initially extract only the Merensky Reef, with the UG2 extracted later on, while maintaining the requirement that a monthly run of mine (ROM) tonnage to concentrator of 300,000 t be achieved.

This decision means that the current Garatau financial model considers only the value of the Merensky Reef on the farm Garatouw 282KT. It does not consider the value of the UG2 Reef on this farm, or any of the declared resources on the other two farms included under the Mining Right.

Due to the large declared Mineral Resource base on these farms, there is extensive value not captured in the current mine plan.

Technical Assessment Summary

The two most economically significant platinum group element (PGE) mineralised layers of the Bushveld Complex, namely the Merensky Reef and the UG2 Chromitite Layer (UG2) are continuous over hundreds of kilometres. The PGEs present comprise varying proportions of platinum (Pt), palladium (Pd), ruthenium (Ru), rhodium (Rh), iridium (Ir) and osmium (Os) metals.

[1] Garatau refers to the project as a whole; Garatouw refers to the individual farm Garatouw 282KT.

Exploration drilling and mineral resource estimation has been conducted within the farm boundaries, therefore the Merensky and UG2 Reefs have been subdivided into these three areas. CSA Global reviewed the declared Mineral Resources of the Merensky Reef on Garatouw 282KT and Hoepakrantz 291KT. Nkwe's current mine plan encompasses only the Merensky Reef Mineral Resource on Garatouw 282KT.

The total declared resources for the three farms are presented in Table 1, Table 2 and Table 3, as quoted from the Nkwe financial report for year ended 31 December 2016.

Table 1: Total declared Mineral Resources for Garatouw 282KT

GARATOUW 282KT								
Category	**Million tonnes**	**Reef width (m)**	**Pt (g/t)**	**Pd (g/t)**	**Au (g/t)**	**Rh (g/t)**	**4E (g/t)**	**4E (Moz)***
Merensky Reef								
Measured	26.42	2.31	2.06	1.00	0.23	0.12	3.41	2.90
Indicated	46.44	2.20	1.94	0.94	0.22	0.11	3.20	4.78
Inferred	31.87	2.17	1.88	0.89	0.21	0.11	3.10	3.17
Subtotal	**104.73**	**2.22**	**1.95**	**0.94**	**0.22**	**0.11**	**3.22**	**10.85**
UG2								
Measured	19.14	1.10	2.40	2.42	0.08	0.52	5.42	3.33
Indicated	18.76	1.10	2.30	2.26	0.08	0.50	5.14	3.09
Inferred	26.21	1.10	2.38	2.38	0.08	0.52	5.36	4.51
Subtotal	**64.10**	**1.10**	**2.36**	**2.36**	**0.08**	**0.51**	**5.31**	**10.93**
TOTAL	**168.84**							**21.78**

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

Table 2: Total declared Mineral Resources for Hoepakrantz 291KT

HOEPAKRANTZ 291KT								
Category	**Million tonnes**	**Reef width (m)**	**Pt (g/t)**	**Pd (g/t)**	**Au (g/t)**	**Rh (g/t)**	**4E (g/t)**	**4E (Moz)***
Merensky Reef								
Indicated	72.79	2.31	1.54	0.72	0.18	0.09	2.53	5.92
Inferred	42.14	2.31	1.60	0.77	0.20	0.09	2.66	3.60
Subtotal	**114.93**	**2.31**	**1.56**	**0.74**	**0.19**	**0.09**	**2.57**	**9.52**
UG2								
Measured	21.67	1.10					5.62	3.91
Inferred	39.26	1.10					5.63	7.09
Subtotal	**60.92**	**1.1**						**11.00**
TOTAL	**175.85**							**20.52**

Note: No elemental splits for Hoepakrantz UG2.
****** Geological loss of between 17% and 20% applied to tonnages for recoverable ounces – loss estimates are based on the few disturbances observed in drillhole intersections and on geophysical observations.*

Table 3: Total declared Mineral Resources for De Kom 252KT

DE KOM 252KT								
Category	**Million tonnes**	**Reef width (m)***	**Pt (g/t)**	**Pd (g/t)**	**Au (g/t)**	**Rh (g/t)**	**4E (g/t)**	**4E (Moz)****
Merensky Reef								
Inferred	4.83	1.20	2.01	0.97	0.25	0.10	3.33	0.52
Subtotal	**4.83**	**1.20**	**2.01**	**0.97**	**0.25**	**0.10**	**3.33**	**0.52**
UG2								
Inferred	5.45	1.20	2.19	2.27	0.07	0.48	5.01	0.88
Subtotal	**5.45**	**1.20**	**2.19**	**2.27**	**0.07**	**0.48**	**5.01**	**0.88**
TOTAL	**10.28**							**1.40**

***** The widths are intended mining widths, and the estimated resources are thus mineable resources, and not in situ resources.
****** Geological loss of between 17% and 20% applied to tonnages for recoverable ounces – loss estimates are based on the few disturbances observed in drillhole intersections and on geophysical observations.

The local geology of the area is well understood in general terms. The area is underlain by Critical Zone and Main Zone rocks, with the Critical Zone hosting the well-developed Merensky Reef and UG2 Chromitite Layer. The detail lithostratigraphy of the area is remarkably similar to that presented by Mitchell and Scoon (2007) on the neighbouring Winnaarshoek farm where Marula Mine is located.

In the project area, the Merensky Reef is present at depths between 280 m and 1,500 m below surface, with the UG2 reef located between 290 m and 370 m below the Merensky Reef. The Merensky Reef and UG2 Chromitite Layer generally strike north-northwest to south-southeast and dip between 6° and 8° to the west. The interburden thickness between the Merensky Reef and UG2 Chromitite Layer averages 360 m and is composed of a stratified package of pyroxenite, norites and anorthosites. The thicknesses, reef characteristics and dips of the Merensky Reef and UG2 Chromitite Layer are consistent and similar to those reported for the Marula and Modikwa mines, adjacent to the Garatau Project.

The Merensky Reef comprises a top chromitite stringer (≈10 cm), Merensky Reef feldspathic pyroxenite and a bottom chromitite stringer (not always present). The Merensky Reef generally strikes north-northwest to south-southeast, dipping to the west at 8–10° at the Garatau deposit and 6–8° at the Hoepakrantz deposit. The thickness of the Merensky Reef averages 2.20 m at the Garatau deposit, and 2.36 m at the Hoepakrantz deposit, with an irregular basal contact. The reefs (Hangingwall, Merensky Reef and Footwall) generally maintain a fairly uniform continuity, although disruptions do occur in the form of faults, dykes, potholes and iron-rich ultramafic pegmatites. Two prominent north-south trending dykes of Karoo or post-Karoo age cut across the Garatau deposit area.

There is a strong correlation between sulphides, grade and both the top and bottom chromitite stringers. The mineralisation (and grade) tends to overlap ≈20 cm above the top chromitite stringer, and spreads for about 80 cm below it, while grade at the bottom of the Merensky Reef tends to be localised over a few centimetres (CCIC, 2012). The highest PGE grades are linked to chromitite stringers and sulphides.

CSA Global considers the current 2011 Mineral Resource estimate (MRE), completed using ordinary kriging estimation, and the classification of the Garatouw deposit Mineral Resources, to be acceptable and fit for the purpose of supporting a valuation.

CSA Global is of the view that the Hoepakrantz deposit MRE may be misclassified due to the application of ordinary kriging estimation, which is not optimal for a bimodal mineralised population as is evident in this deposit. However, the quantum of the global estimate is acceptable to underpin a valuation, with the application of a suitable discount based on the valuation practitioner's professional judgement.

Comments on the inputs to the Garatau Mine Plan DCF

The metallurgical assumptions used in the cash flow model appear to be optimistic, given the 4E plant feed grade in the production plan. The proposed strategy for the phased expansion from 150 kt/month to 300 kt/month is sound; however, it will require allowance during design stage for Phase 2, as well as significant planning.

Process opex costs appear to be in line with other similar PGM projects in the region. Process capex costs for the concentrator appear to be in line with other similar PGM projects for similar plant capacity. However, there needs to be a capex allowance made for Owners Costs and Sustaining Capital.

Clarity is required in the execution strategy (EPCM, EPC, etc.). In CSA Global's view, the mining assessment does not appear to have attained the rigour of a Class 3 estimate, and thus cannot be considered a Definitive Feasibility Study.

A significant number of assumptions have been adopted, some of which may no longer be valid given the significant elapsed time, and consequently significant scope for cost increases exists. CSA Global recommends reviewing these assumptions in detail, and updating them as required.

Valuation Opinion on Mineral Assets Not included in Garatau Mine Plan DCF

CSA Global's opinion on the likely market value of Nkwe's mineral assets outside of the Garatau mine plan, as at 29 May 2018, is presented in Table 4.

CSA Global stress that this is an opinion on value, and not an absolute value, which can only be tested by going to market.

Table 4: CSA Global opinion on likely market value of Nkwe's mineral assets outside of the Garatau mine plan (as at 31 May 2018)

Area	Reef	Low (US$M)	High (US$M)	Preferred (US$M)
Garatouw Outside LOM	Merensky Reef[#]	7	13	10
	UG2	30	46	38
	Subtotal	**37**	**59**	**48**
Hoepakrantz	Merensky Reef	10	22	16
	UG2	12	26	19
	Subtotal	**22**	**48**	**35**
De Kom	Merensky Reef	0.2	0.6	0.4
	UG2	0.3	0.9	0.6
	Subtotal	**0.5**	**1.5**	**1.0**
TOTAL		**59.5**	**108.5**	**84.0**

[#]Garatouw Merensky Reef resource excludes material that will be mined as part of the current mine plan.
Values quoted on a 100% basis, not equity basis
The valuation has been compiled to an appropriate level of precision and minor rounding errors may occur.

Contents

Figures

Tables

Appendices

1 Introduction

1.1 Context, Scope and Terms of Reference

Nkwe Platinum Limited ("Nkwe" or "the Company") is an Australian Securities Exchange (ASX) listed company involved in platinum projects in the Limpopo Province of the Republic of South Africa. The Garatau Platinum Project is its most advanced project. The Company owns 74% of a mining right over the Garatau Project, which consists of three contiguous tenements located in the Eastern Limb of the Bushveld Igneous Complex. Nkwe completed a Feasibility Study for the Garatau Project in 2012.

The Directors of Nkwe have engaged RSM Corporate (Australia) Pty Ltd (RSM) to prepare an Independent Valuation Report ("IER") in relation to the proposed takeover offer of Nkwe by Zijin Mining Group Co. Ltd (Zijin) ("Proposed Transaction"). RSM is to prepare an IER providing an assessment of the fair value of a share in Nkwe for inclusion in the Shareholder Circular which will accompany the Notice of Special General Meeting in relation to the Proposed Transaction.

RSM in turn commissioned CSA Global Pty Ltd (CSA Global) with preparing an Independent Technical Assessment Report in relation to the Garatau Platinum Project and a Valuation Report of other exploration assets of Nkwe, including resources not included in the cash flow models of the Garatau Project ("ITAVR").

CSA Global's brief was to prepare the following for the use of RSM:

- **Independent Technical Assessment Report** – review the technical project assumptions and provide an assessment on the reasonableness of the assumptions used in the cash flow model, broadly being:
  - resources and reserves incorporated in the cash flow model
  - mining physicals (including tonnes of ore mined, ore processed, recovery and grade)
  - processing assumptions (including ore and grade processed, products and recovery)
  - operating costs (including but not limited to mining, processing, haulage, general site costs/administration, penalties, transport, contingencies and royalties)
  - capital expenditure (including but not limited to project capital costs, sustaining capital expenditure, salvage value, rehabilitation and contingency)
  - any other relevant technical assumptions not specified above.
- **Valuation report** – an independent market valuation of:
  - the resources not already included in the cash flow model
  - other exploration assets of Nkwe if considered material.

The notice of meeting will address, and the IER will address, the Proposed Transaction. The IER will provide an opinion to Nkwe's shareholders and as such it will be a public document. CSA Global will provide its consent to the use of its ITAVR in the form and context in which it will be published.

1.2 Compliance with the VALMIN and JORC Codes

The ITAVR has been prepared in accordance with the VALMIN Code 2015[2], which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC Code[3] and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to Independent Experts' Reports.

[2] *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets. The VALMIN Code, 2015 Edition*. Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

[3] *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition*. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

The authors have taken due note of the rules and guidelines issued by such bodies as ASIC and ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

1.3 Principal Sources of Information

The ITAVR has been based upon information available up to and including 29 May 2018. The information was provided to CSA Global by Nkwe or has been sourced from the public domain and includes both published and unpublished technical reports prepared by consultants, and other data relevant to Nkwe's projects.

The authors have endeavoured, by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data upon which this ITAVR is based.

CSA Global representative Dr Daniel Limpitlaw completed a site inspection of the Garatau Project on 24 April 2018.

With regards to the current status of the tenements, CSA Global has relied on the opinion of ENSafrica, an independent law firm based in Johannesburg, South Africa, as stated in their memorandum titled *Legal opinion regarding the Mining right (DMR Ref: LP 30/5/1/1/2/203 MR) held in terms of the Mineral and Petroleum Resources Development Act, 2002 in the Republic of South Africa*, dated 28 May 2018. CSA Global makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so.

1.4 Authors of the Report – Qualifications, Experience and Competence

This ITAVR has been prepared by CSA Global, a privately-owned consulting company that has been operating for over 30 years; with its headquarters in Perth, Western Australia.

CSA Global provides multi-disciplinary services to a broad spectrum of clients across the global mining industry. Services are provided across all stages of the mining cycle from project generation, to exploration, resource estimation, project evaluation, development studies, operations assistance, and corporate advice, such as valuations and independent technical documentation.

The information in this ITAVR that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Dr Belinda van Lente (Pr.Sci.Nat, MGSSA), Dr Daniel Limpitlaw (Pr.Eng., ECSA), Mr Gary Patrick (Competent Person – Met, MAusIMM), and Mr Trivindren Naidoo (FGSSA, MAusIMM). Drs Limpitlaw and van Lente, and Messrs Patrick and Naidoo are not related parties or employees of Nkwe. All four have sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity which they are undertaking to qualify as Practitioners as defined in the 2015 edition of the "Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets". Drs Limpitlaw and van Lente, and Messrs Patrick and Naidoo consent to the inclusion in the ITAVR of the matters based on their information in the form and context in which it appears.

The valuation of Mineral Resources and Exploration Properties was completed by CSA Global Principal Geologist – Valuation, Mr Trivindren Naidoo, MSc (Exploration Geology), Grad.Cert (Mineral Economics), FGSSA, MAusIMM. Trivindren is a consulting geologist with over 17 years' experience in the minerals industry, including 12 years as a consultant. He has an extensive background in mineral exploration, and specialises in due diligence reviews, project evaluations and valuations, as well as code-compliant reporting. Trivindren's knowledge is broad-based, and he has wide-ranging experience in the field of mineral exploration and resource development, having managed or consulted on various projects ranging from first-pass grassroots exploration to brownfields exploration and evaluation. Trivindren has the

relevant qualifications, experience, competence, and independence to be considered a "Specialist" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

The technical assessment of the Mineral Resources was completed by CSA Global Senior Resource Consultant, Dr Belinda van Lente. Belinda is a Resource Geologist with over 13 years of industry experience, both in the consulting and production environment. She is a Competent Person for the SAMREC and JORC reporting of Mineral Resource estimates (MREs) and is similarly a Qualified Person for Canadian NI 43-101 MRE reports. Belinda's commodity expertise is extensive, and it has been developed from working on mining and resource estimation projects in Africa, Russia and Europe. Belinda is also a specialist on due diligence studies and has provided professional opinions for Independent Geologist Reports. Belinda has the relevant qualifications, experience, competence and independence to be considered a "Competent Person" relevant to the style of mineralisation and type of deposit described in the ITAVR, as defined in the SAMREC Code.

The assessment of the metallurgical aspects of the Garatau Project and their treatment in the financial model was undertaken by CSA Global Associate Consultant, Mr Gary Patrick. Gary has had a total of 25 years in the mining industry and is a hands-on metallurgist with strong technical skills in precious metals (Au, Ag), base metals (Cu, Mo, Ni, Pb, Zn) and in industrial minerals (Mn, Ta, Sn, Li, Si).

The assessment of the technical inputs in the Garatau mining studies was undertaken by CSA Global Associate Principal Consulting Mining Engineer, Dr Daniel Limpitlaw. Daniel is a mining engineer who specialises in the assessment of both direct and indirect impacts of mining on the environment and the surrounding communities. Daniel was the project manager for the Mining, Minerals and Sustainable Development southern Africa project and has been involved in several mining-related sustainable development projects. He has experience of mining projects in a range of African countries as well as in Australia and the Pacific. Daniel works on projects relating to small-scale mining, mine closure, management of mining impacts, spatial assessment and local economic development.

The reviewer of the ITAVR is CSA Global Principal Consultant, Ivy Chen. Ivy is a corporate governance specialist, with 28 years' experience in mining and resource estimation. She served as the national geology and mining adviser for the ASIC from 2009 to 2015. Ivy's experience in the mining industry in Australia and China as an operations and consulting geologist includes open pit and underground mines for gold, manganese and chromite, and as a consulting geologist she has conducted mineral project evaluation, strategy development and implementation, through to senior corporate management roles. Ivy joined the VALMIN Committee in 2015.

1.5 Prior Association and Independence

The authors of this ITAVR have no prior association with Nkwe in regard to the Mineral Assets. Neither CSA Global, nor the authors of this ITAVR, have or have had previously, any material interest in Nkwe or the mineral properties in which Nkwe have an interest. CSA Global's relationship with Nkwe is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. This ITAVR is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this ITAVR. The fee for the preparation of this ITAVR is approximately A$90,000.

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of Nkwe. No member or employee of CSA Global has, or has had, any shareholding in Nkwe. There is no formal agreement between CSA Global and Nkwe to CSA Global conducting further work for Nkwe.

1.6 Declarations

The statements and opinions contained in this ITAVR are given in good faith and in the belief that they are not false or misleading. This ITAVR has been compiled based on information available up to and including the date of this ITAVR. The statements and opinions are based on the reference date of 29 May 2018 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

The opinions expressed in this ITAVR have been based on the information supplied to CSA Global by Nkwe. The opinions in this ITAVR are provided in response to a specific request from Nkwe to do so. CSA Global has exercised all due care in reviewing the supplied information. Whilst CSA Global has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. CSA Global does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this ITAVR apply to the site conditions and features, as they existed at the time of CSA Global's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this ITAVR, about which CSA Global had no prior knowledge nor had the opportunity to evaluate.

CSA Global's valuations are based on information provided by Nkwe and public domain information. This information has been supplemented by making all reasonable enquiries to confirm the authenticity and completeness of the technical data.

No audit of any financial data has been conducted. The valuations discussed in this ITAVR have been prepared at a valuation date of 29 May 2018. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

2 Garatau Project

2.1 Tenure

With regards to the current status of the tenements, CSA Global has relied on the opinion of ENSafrica, an independent law firm based in Johannesburg, South Africa, as stated in their memorandum titled *Legal opinion regarding the Mining right (DMR Ref: LP 30/5/1/1/2/203 MR) held in terms of the Mineral and Petroleum Resources Development Act, 2002 in the Republic of South Africa*, dated 28 May 2018. CSA Global makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so.

Nkwe holds a 74% interest in the Mining Right (DMR Ref: LP 30/5/1/1/2/203 MR), granted in respect of chrome, cobalt, copper, nickel, gold and platinum group metals over De Kom 252KT, Hoepakrantz 291KT, and Portion 1 and the Remaining Extent of Garatouw 282KT situated in the Magisterial District of Sekhukune in the Limpopo Province, measuring 5,312.9064 ha in extent.

ENSafrica opine that the Mining Right is a valid title in full force and effect that has been granted to Nkwe and Genorah as co-holders in undivided shares of 74% and 26% respectively.

2.2 Location and Access

A visit to the Garatau Project site near Burgersfort in Limpopo Province, South Africa, was undertaken on 24 April 2018. The general location of the project is shown in Figure 1 and its setting is shown in Figure 2.

The visit was led by Nkwe representative, Dr Tawanda Manyeruke. He was accompanied by the site geologist, Derrick Netshivangolo.

The morning was spent on site where several drillhole locations were visited, and the proposed surface layout was explained. After that, Dr Manyeruke gave a presentation at the Nkwe office in Steelpoort. Waypoints collected using a handheld global positioning system (GPS) device are shown in Figure 3. Various features of the project site are illustrated in Figure 4 to Figure 6.

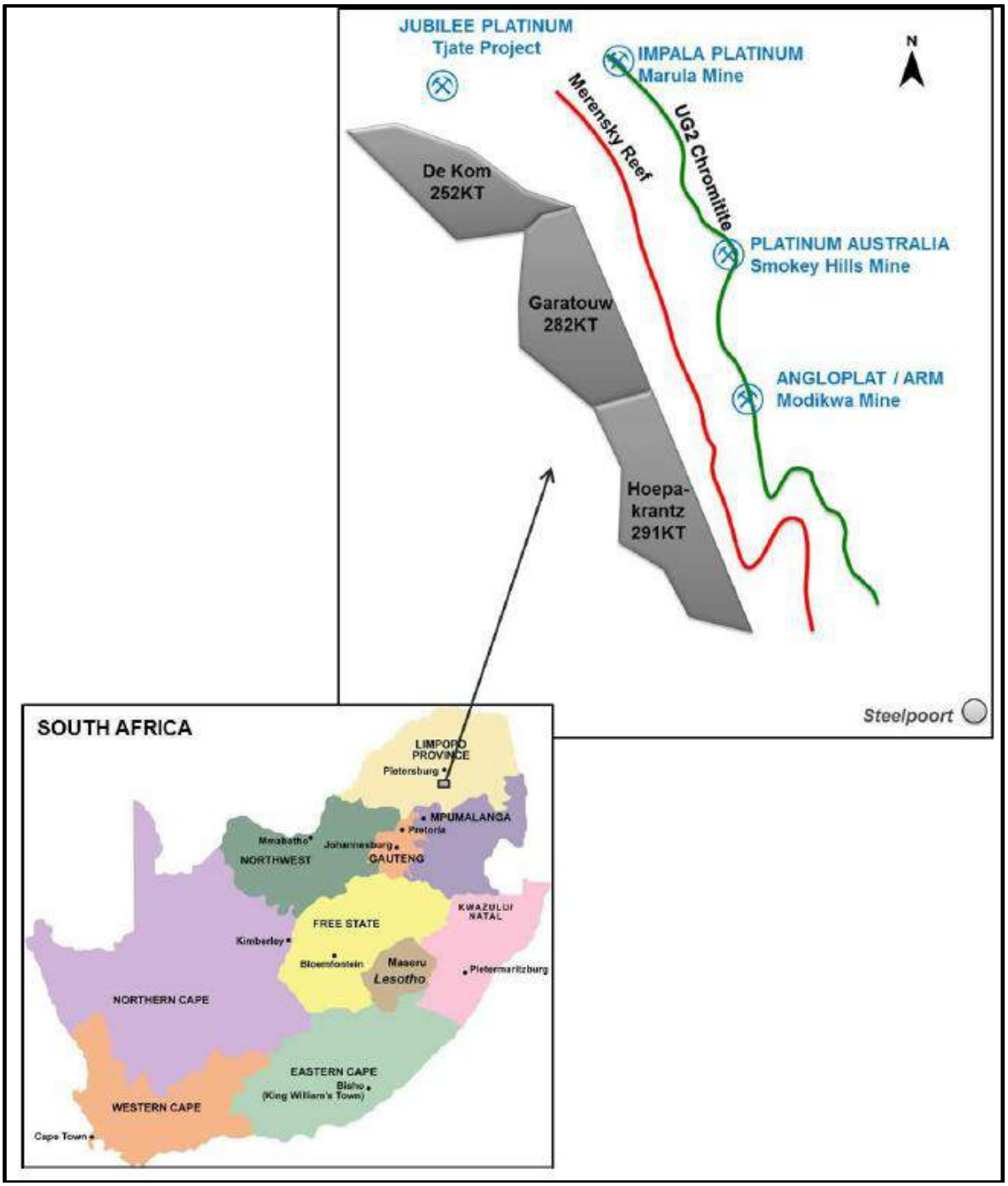


Figure 1: Location of the Garatouw Project

Source: TP&A, 2014

Figure 2: Position of the Garatau Project in relation to Burgersfort

Note: Red polygons indicate various infrastructure options considered. Background image: Google Earth.

Figure 3: Garatau Project site

Google Earth perspective view with GPS waypoints (Background image: Google Earth).

Figure 4: Access road leading to the site looking southwest

Figure 5: Bulk sample previously excavated by Anglo

Note the visible Merensky outcrop. The upper chrome stringer was also visible.

Figure 6: Bulk sample area

Google Earth perspective view.

2.3 Processing Facility

The tailings storage facility (TSF) is located approximately 300–400 m in from the road (see waypoint "TSF" in Figure 7) and is planned to be at the same design as that proposed by TWP. Under the current plan, the concentrate will be sent to either Lonmin or Impala for smelting. Offtake agreement details are to be determined.

Figure 7: TSF location

Background image: Google Earth.

3 Technical Assessment

3.1 Geological Understanding and Prospectivity

The Garatau Project, comprising the three farms De Kom 252KT, Garatouw 282KT and Hoepakrantz 291KT, is located in the Steelpoort region in Limpopo Province of South Africa (Figure 1). The Steelpoort district is a mountainous region (Figure 8 and Figure 9), with the elevation within the project area varying from about 900 m to 1,900 m above mean sea level (from TP&A, 2014).

The surrounding region has historically been, and currently still is actively exploited by platinum and chrome producers. As such, there is an extensive road and railway network with large amounts of industrial and social infrastructure established in the region.

Figure 8: Panoramic view of the property from the shaft position (LHS=S, RHS=W)

Figure 9: Panoramic view of the property from the shaft position (LHS=W, RHS=N)

3.1.1 Regional Geology

Platinum was discovered on the property Maandagshoek 254KT in the Lydenburg District in 1924, some 7 km to the southwest from the Garatau Project, ultimately leading to the Bushveld Complex becoming the biggest resource and South Africa the foremost producer of platinum group elements (PGEs) in the world.

The Bushveld Complex was intruded about 2,060 million years ago into rocks of the Transvaal Supergroup, largely along an unconformity between the Magaliesberg quartzite of the Pretoria Group and the overlying Rooiberg felsites. It is a large layered igneous complex formed by injection into the earth's crust of multiple phases of magma pulses. The total extent of the Bushveld Complex is approximately 66,000 km^2, just over half of which is covered by younger formations. The mafic rocks form layers that together are of some 7–9 km thick and are exposed in three so-called "lobes" (or "limbs") – see Figure 10 and Figure 11. The eastern Bushveld Complex, where the Garatau Project is situated, is shaped like half a saucer and extends from Chuniespoort in the north to Stoffberg in the south for about 200 km and underlies rugged terrain where surface exposures are good. The eastern Bushveld Complex is subdivided into the western, central, and southern sectors. These sectors are separated by boundary areas, in which the Lower, Critical, and Main zones are either partially absent or structurally disturbed (Scoon and Teigler,

1994). In the central sector, the mafic/ultramafic rocks that form the Rustenburg Layered Suite (RLS) generally strike north-northwest to south-southeast and dip between 10° and 12° to the west.

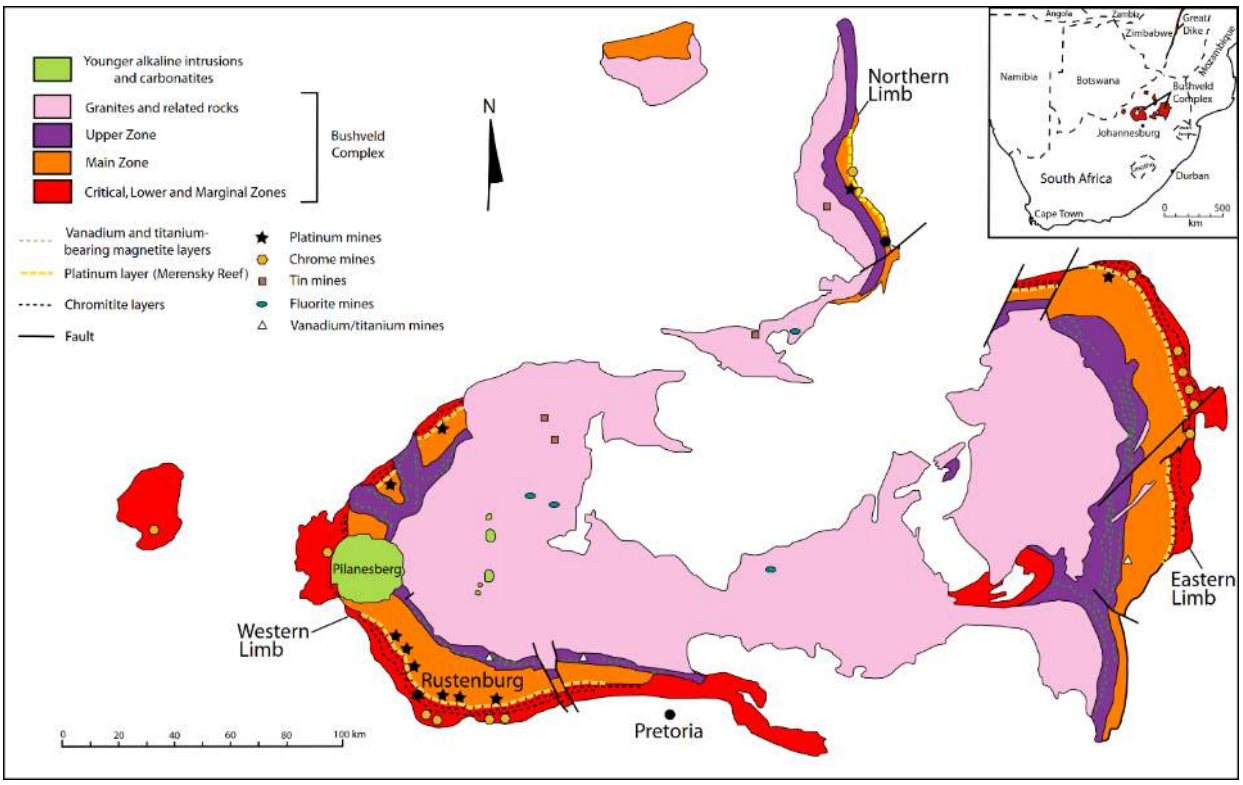


Figure 10: Regional geology of the Bushveld Complex

Source: Taylor et al., 2009

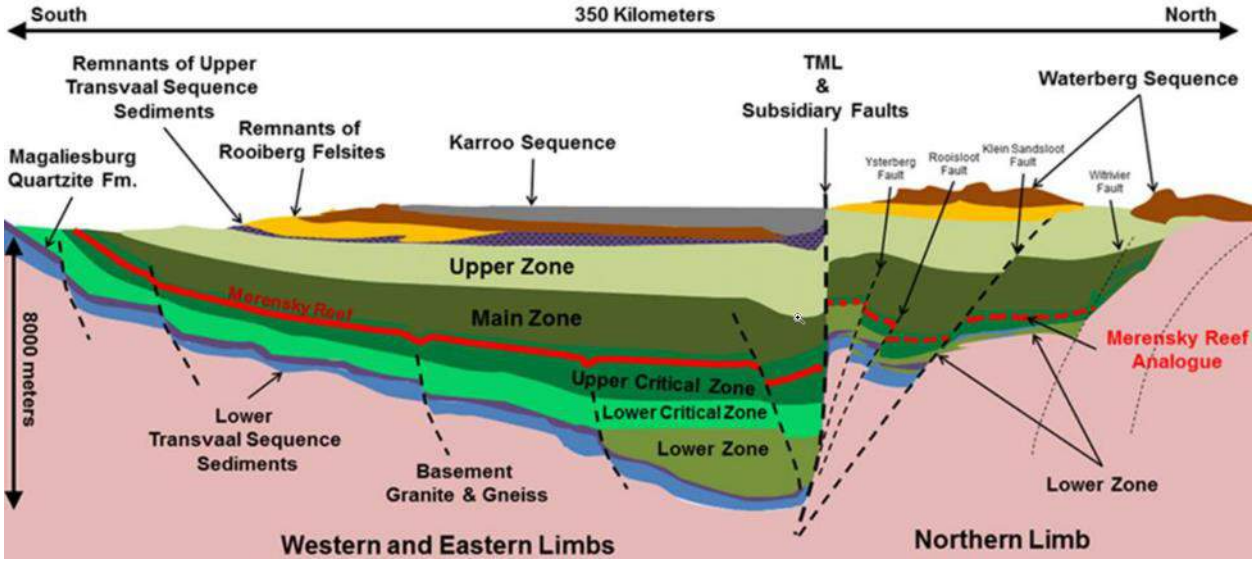


Figure 11: Schematic North-South cross section through the Bushveld Complex

Source: Ivanhoe Mines Ltd, 2015

3.1.2 Stratigraphy

The mafic rocks which are collectively termed the RLS have been divided into five zones known as the Marginal, Lower, Critical, Main and Upper zones.

The Critical Zone is characterised by regular rhythmic layering of cumulus chromite within pyroxenites, anorthosites, norites and olivine-rich rocks. It hosts virtually all economic mineralisation encountered in the Bushveld Complex.

The Marginal Zone comprises a heterogeneous succession of basic rocks dominated by norites, showing very little layering. These rocks contain quartz and hornblende believed to be a result of contamination of the basic magmas by the enclosing host rocks. Sedimentary rock fragments are contained as xenoliths within the lowermost ranges of this zone. The Marginal Zone ranges in thickness from several metres to several hundred metres. Exposures of this zone are poor.

The Lower Zone is dominated by ultramafic rocks. The most complete exposure is in the north-eastern part of the Eastern Limb of the RLS; here the Lower Zone occurs as a series of dunite-harzburgite cyclically layered units. The unit varies in thickness, having a trough-like geometry with the thinnest succession developed over structural highs in the basin floor.

The Critical Zone is remarkable for containing the largest resources of chrome and platinum in the world. The Critical Zone is subdivided into a Lower Unit and Upper Unit.

The Lower Unit of the Critical Zone is dominated by pyroxenite with interlayered harzburgites and chromitite layers. The Upper Critical Zone comprises layered pyroxenites, norites, anorthosites and chromitites. The base of the Upper Critical Zone is marked by the appearance of cumulus plagioclase. Norites dominate the Upper Critical Zone, with subordinate pyroxenites and anorthosites present at intervals through the sequence.

Layering occurs on a variety of scales and may also be regular to highly irregular in aspect.

Chromitite layers occur in three distinct groupings; the Lower Group (LG) series of layers occur exclusively in the Lower Critical Zone, the Middle Group (MG) series of layers straddle the contact between the Lower and Upper Critical Zones, whereas the Upper Group (UG) set of layers occur within the Upper Critical Zone.

Economic PGE mineralisation is hosted in the UG2 Chromitite Layer and the Merensky Reef, a laterally continuous pyroxenite unit containing PGE and base metal sulphide mineralisation located towards its base.

The Main Zone is the thickest unit within the RLS, generally contributing more than half of the stratigraphic thickness of the Bushveld Complex. The Main Zone consists of gabbronorites with some anorthosite and pyroxenite layering. Banding or layering is not as well developed as in the Critical Zone and Lower Zone.

The Upper Zone is dominated by gabbros, however banded anorthosite and magnetite sequences are also present. There is no chilled contact with the hangingwall rocks, which comprise mainly rhyolites and granophyres.

The two most economically significant PGE mineralised layers of the Bushveld Complex, namely the Merensky Reef and the UG2 Chromitite Layer are continuous over hundreds of kilometres. The PGEs comprise varying proportions of platinum (Pt), palladium (Pd), ruthenium (Ru), rhodium (Rh), iridium (Ir) and osmium (Os) metals.

Apart from faulting and intrusive dykes, two other problem areas that have a negative effect on mining the Merensky Reef and UG2 Chromitite Layer are “potholes” and “replacement pegmatoids”.

3.1.3 Local Geological Setting

The local geology of the area is well understood in broad terms. The area is underlain by Critical Zone and Main Zone rocks with the Critical Zone hosting well-developed Merensky Reef and UG2 Chromitite Layer. The detail lithostratigraphy of the area (Figure 12) is remarkably similar to that presented by Mitchell and Scoon (2007) on Winnaarshoek farm where Marula Mine is located.

	Stratcode	Rocktype	Rock Description		Description	minThick	maxThick	typThick
			interval					
LOWER MAIN ZONE			GabbroNorite					
			Mottled Anorthosite		***Upper Mottled Anorthosite***			?
			GabbroNorite					?
			Mottled Anorthosite		***Main Mottled Anorthosite***			40
			GabbroNorite					220
			Porphyritic Gabbro					120
			Norite / LeucoNorite					200
			Mottled Anorthosite (leuconorite)		*mottles top & bottom*			20
			Norite / LeucoNorite					20
UPPER CRITICAL ZONE	MH6	SMAN	Spotted and Mottled Anorthosite					22.5
	MH5	MAN	Mottled Anorthosite		*Giant Mottles*			13.8
	MH4	SMAN	Spotted and Mottled Anorthosite					5.5
	MH3	MAN	Mottled Anorthosite					13.3
	MH2	LN	LeucoNorite					3.8
	BRU	PXF	Feldspathic Pyroxenite		*Upper Bastard Reef*			7.6
	BRM	LN	LeucoNorite		*Middle Bastard Reef*			
	BRL	PXF	Feldspathic Pyroxenite		*Lower Bastard Reef*			
	BRBC	CR	Chromitite		*stringer*			
	MM3	MAN	Mottled Anorthosite					6.4
	MM2	SMAN	Spotted and Mottled Anorthosite					2.5
	MM1	MsN	MesoNorite (to LeucoNorite)					0.6
	MH1	PX	Pyroxenite (with inconsistent Px Pegm)		*Merensky Upper Px*			0.35
	MTCR	CR	Chromitite		*Top Cr stringer*			2.15
	MR	PXF	Feldspathic Pyroxenite		***Merensky Reef***			
	MBCR	CR	Chromitite		*Bottom Cr stringer*			
	MF1	PXP	Pegmatoidal Feldspathic Pyroxenite		*Merensky Pegmatoid*			0.12
	MF2	PXF	Feldspathic Pyroxenite		*bottom of Merensky Cycle*			17.4
	MF3	LN	LeucoNorite		*Merensky Cycle Footwall*			105.1
	MF3m	CR	Chromitite		*MR FW3 marker*			
	MF4	LN	Banded LeucoNorite		*layered Px, Norite, AnOr*			133.7
	MF5	MAN	Mottled Anorthosite					1.2
	MF6	LN	LeucoNorite					73.2
	MF7	SMAN	Spotted and Mottled Anorthosite					8.4
	MF8	MAN	Mottled Anorthosite					3.6
	MF8m	CR	Chromitite		*MR FW8 marker*			
	MF9	PXF	Feldspathic Pyroxenite					3.2
	MF9m	CR	Chromitite		*MR FW9 marker*			
	U3bH	HZ	Harzburgite					0.8
	U3b	CR	Chromitite		*UG3b*			
	U3M2	HZ	Harzburgite					0.4
	U3a	CR	Chromitite		*UG3a*			
	U3M1	PXF	Feldspathic Pyroxenite					4.0
	U3	CR	Chromitite		*UG3*			0.25
	U2H	PXF	Feldspathic Pyroxenite					11
	U2L3	CR	Chromitite		*stringer*			0.01
	U2L3P	PXF	Feldspathic Pyroxenite					0.01
	U2L2	CR	Chromitite		*Triplets*			0.002
	U2L2P	PXF	Feldspathic Pyroxenite					0.003
	U2L1	CR	Chromitite		*stringer*			0.001
	U2L1P	PXF	Feldspathic Pyroxenite					0.08
	APP	AN	Anorthosite parting plane					-
	U2	CR	Chromitite		***UG2 Chromitite***			**0.6**
	U2F1	PXP	Pegmatoidal Feldspathic Pyroxenite					0.3
	U2F2	PXF	Feldspathic Pyroxenite					5.0
	U2F2m	CR	Chromitite		*UG2 FW2 marker*			
	U2F3	MAN	Mottled Anorthosite					0.8
	U2F3m	CR	Chromitite		*UG2 FW3 marker*			
	U2F4	MAN	Mottled Anorthosite					0.92
	U2F5	LN	LeucoNorite					23
	U1	CR	Chromitite / Anorthosite		*UG1*			
			interval					
	MG	CR	Chromitite		*MG*			
			interval					
	LG6	CR	Chromitite		*LG6*			
			interval					
	BMT	QTZ	Quartzite		*Basement*			

Figure 12: Lithostratigraphy of the Garatau Project

Source: CCIC, 2012

The Merensky Reef is present at depths between 280 m and 1,500 m below surface, with the UG2 reef located between 290 m and 370 m below the Merensky Reef (Figure 13). The Merensky Reef and UG2 Chromitite Layer generally strike north-northwest to south-southeast and dip between 6° and 8° to the

west. The interburden thickness between the Merensky Reef and UG2 Chromitite Layer averages 360 m and is composed of a stratified package of pyroxenite, norites and anorthosites. The thicknesses, reef characteristics and dips of the Merensky Reef and UG2 Chromitite Layer are consistent and similar to those reported for the Marula (Mitchell and Scoon, 2007; www.implats.co.za) and Modikwa (www.angloplatinum.com) mines, adjacent to the Garatau Project (Figure 1).

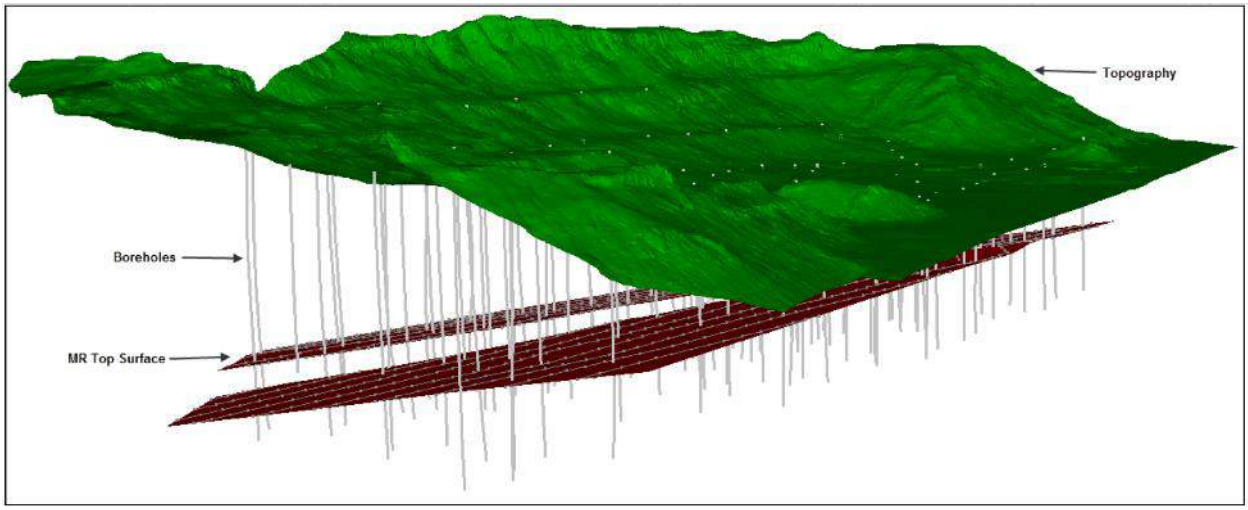


Figure 13: Isometric view showing topography and Merensky Reef surface.

Source: CCIC (2012)

In general, the Merensky Reef and the UG2 Chromitite Layer have good and uniform continuity with small variations in thickness. The reefs may be interrupted by dykes and potholes. Aeromagnetic surveying, drilling and field mapping have shown the presence of dolerite dykes of Karoo or post-Karoo age. Two prominent dyke sets trend generally north-south, showing positive magnetic polarity.

The dykes are mostly subvertical, dipping to the east, and most likely emplaced along zones of weakness and especially along faults. Thicknesses range from a few centimetres to about 30 m. The dykes cause minimal ground loss to the reefs due to their subvertical to vertical nature. Displacements associated with these structures are generally minimal with the exception of one dyke which has an approximate 65 m normal throw associated. No major faults have been intersected to date at Garatau. However, in construction of the wireframes, three fault blocks were identified with displacements of 20–30 m vertically.

3.1.4 Relationship of Mineralisation

The Merensky Reef at the Garatau Project is made up of an approximately 2.2 m thick package of feldspathic, and at times poikilitic, pyroxenite. The reef is characterised by a chromitite stringer (≈0.1 cm thick) which occurs a few centimetres into the feldspathic pyroxenite. Although not always present, the gradational bottom contact of the Merensky Reef contains a chromitite stringer as well.

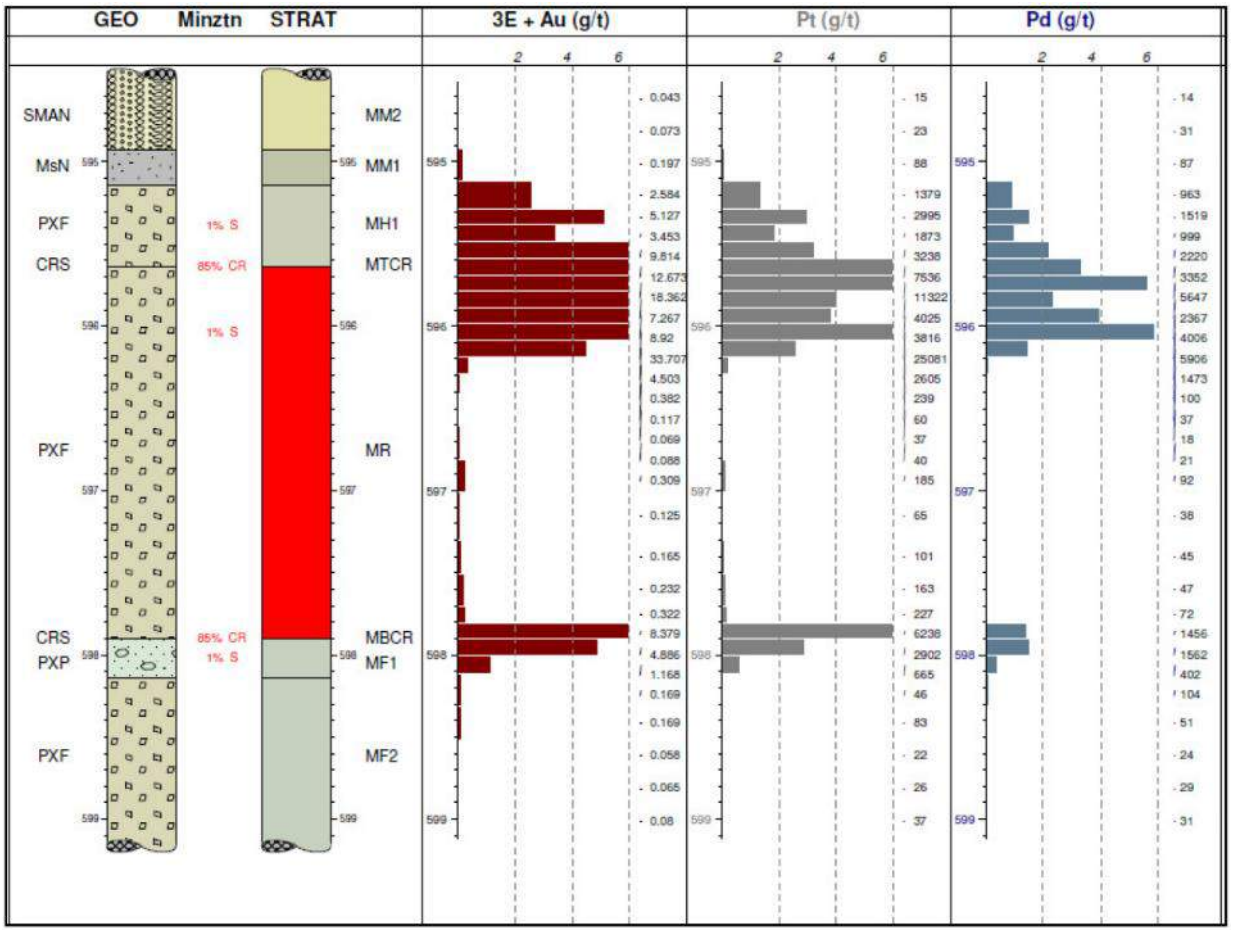


Figure 14: Relationship between grade distribution and Cr stringers

Source: CCIC, 2012

Sulphides occur towards the top and the base of the Merensky Reef, associated with the chromitite stringers. Grade distribution exhibits a strong correlation with the top chromitite stringer, as well as with the bottom one (Figure 14) Mineralisation (and grade) tends to overlap about 20 cm above the top chromitite stringer, and spreads for about 80 cm below it, while grade at the bottom of the Merensky Reef tends to be localised over a few centimetres. The highest PGE grades are linked to chromitite stringers and sulphides.

The UG2 is a chromitite layer and varies in thickness from 60 cm to 80 cm with a sharp top contact and irregular bottom contact. It is a dense cumulate of chromite crystals intergrown with fine interstitial orthopyroxene and/or plagioclase that occur as mottles up to 1.5 cm in diameter. The UG2 normally has up to three thin chromitite stringers (leaders) with widths ranging from 0.1 cm to 1 cm located within the hangingwall pyroxenite, about 10–5 cm above the UG2 chromitite layer proper. They have important geotechnical implications as they form zones of weakness during mining, resulting in ore dilution. The immediate footwall to the UG2 chromitite consist of a pegmatoidal feldspathic pyroxenite which may be absent in places and is in turn underlain by medium crystalline feldspathic pyroxenite. In places, the UG2 may have centimetre-scale feldspathic pyroxenite or noritic bands referred to as internal waste which results in grade dilution.

3.1.5 A Note on Sampling Techniques and Data Reliability

The following general observations can be made using data and reports as provided by Nkwe:

- **Drill core recovery** of above 95% was generally obtained. Redrills if loss/grinding in the reef zones. Recoveries obtained are acceptable.

- **Logging of core** has been adequate. The logging procedures are well known and executed. Alteration and weathering are not common.
- **Subsampling techniques and sample preparation:** Half-core samples taken with a minimum of 10 cm and a maximum of 20 cm zones of interest. Individual samples of about 10 cm have been composited across the Merensky Reef intersection. Numbering, sampling and photography seem standard although unsure if all the core were photographed wet and dry, but this is not material to the valuation. Blanks and standards inserted at 5%, which is standard. All 5% pulp rejects were sent to Setpoint. The four deflections taken is industry standard. All sampling, subsampling and sample preparation procedures seem in line with industry standard.
- **Quality of assay data and laboratory tests**: Genalysis and SGS were used, and both laboratories are internationally accredited. AMIS standards were inserted every 10 samples and norites used as blanks. CSA Global has no material concern regarding assay data quality and laboratory procedures followed.
- **Drillhole location:** All collars ware surveyed using differential GPS by an independent contractor. A LiDAR survey was conducted to obtain topography. No material concerns.
- **Drillhole spacing** of about 380 m is adequate for exploration results.
- **Drillhole orientation:** Holes are vertical while the reef is shallow dipping. CCIC (2012) estimate a 4% difference between true and vertical thickness and no sample bias is expected.
- **Density** measurement were done in the laboratory using gas pycnometry on all submitted samples. This technique is acceptable.
- **Topography** of the area was obtained via LiDAR.

3.1.6 Summary of CSA Global Findings

The geology (both regional and local) is well known, and all indications are that new data were captured in an appropriate manner. From documentation provided and public domain information, the following points may need to be considered:

- Importance of downhole surveying. Holes do deviate at depth and where considered a material impact on the valuation the original downhole survey files may need to be sourced and plotted.
- The regional and local geology is well known and documented. It is plausible to assume general lateral grade continuity.
- From documentation provided it seems reasonable to assume that the reef on the farms De Kom 252KT, Garatouw 282KT and Hoepakrantz 291KT are one orebody.
- It is plausible to assume that there would be little value gain (i.e. grade and tonnage) as confidence/classification increase from Indicated to Measured.
- Geological losses are to be expected in the form of potholes, modified reef, intrusions and structural elements such as faults. A 15–25% geological loss from Measured to Indicated to Inferred may seem plausible and a range of 15–20% seems to have been assumed reasonable by previous authors. From Lemmer (2010): *"The drillholes are not located on a regular grid, - drill sites were selected based on access, but also purposely to avoid dykes and other structures interpreted from aeromagnetic images. The number of 'non-normal' intersections are thus probably not entirely representative of what will be encountered on mining"*.
- All indications are that there is a good understanding of specific gravity (SG)/bulk density.
- As the reef dips underneath a topographic high, one may consider the impact on further surface drilling. It may have an impact on mine planning however once established, less of a material impact on the underground workings.

3.2 Mineral Resource Estimates

The Garatau Project consists of mineral resources underlying three farms, namely: Garatouw 282KT, Hoepakrantz 291KT and De Kom 252KT, located within the Steelpoort region in the Limpopo Province of South Africa. CSA Global reviewed in detail only the declared Merensky Reef Mineral Resources of the two main farms, namely Garatouw 282KT and Hoepakrantz 291KT.

The total declared resources for the three farms are presented in Table 5, Table 6 and Table 7, as quoted from the Nkwe financial report for year ended 31 December 2016.

Table 5: Total declared Mineral Resources for Garatouw 282KT

GARATOUW 282KT								
Category	**Million tonnes**	**Reef width (m)**	**Pt (g/t)**	**Pd (g/t)**	**Au (g/t)**	**Rh (g/t)**	**4E (g/t)**	**4E (Moz)***
Merensky Reef								
Measured	26.42	2.31	2.06	1.00	0.23	0.12	3.41	2.90
Indicated	46.44	2.20	1.94	0.94	0.22	0.11	3.20	4.78
Inferred	31.87	2.17	1.88	0.89	0.21	0.11	3.10	3.17
Subtotal	**104.73**	**2.22**	**1.95**	**0.94**	**0.22**	**0.11**	**3.22**	**10.85**
UG2								
Measured	19.14	1.10	2.40	2.42	0.08	0.52	5.42	3.33
Indicated	18.76	1.10	2.30	2.26	0.08	0.50	5.14	3.09
Inferred	26.21	1.10	2.38	2.38	0.08	0.52	5.36	4.51
Subtotal	**64.10**	**1.10**	**2.36**	**2.36**	**0.08**	**0.51**	**5.31**	**10.93**
TOTAL	**168.84**							**21.78**

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

Table 6: Total declared Mineral Resources for Hoepakrantz 291KT

HOEPAKRANTZ 291KT								
Category	**Million tonnes**	**Reef width (m)**	**Pt (g/t)**	**Pd (g/t)**	**Au (g/t)**	**Rh (g/t)**	**4E (g/t)**	**4E (Moz)***
Merensky Reef								
Indicated	72.79	2.31	1.54	0.72	0.18	0.09	2.53	5.92
Inferred	42.14	2.31	1.60	0.77	0.20	0.09	2.66	3.60
Subtotal	**114.93**	**2.31**	**1.56**	**0.74**	**0.19**	**0.09**	**2.57**	**9.52**
UG2								
Measured	21.67	1.10					5.62	3.91
Inferred	39.26	1.10					5.63	7.09
Subtotal	**60.92**	**1.1**						**11.00**
TOTAL	**175.85**							**20.52**

Note: No elemental splits for Hoepakrantz UG2.
****** Geological loss of between 17% and 20% applied to tonnages for recoverable ounces – loss estimates are based on the few disturbances observed in drillhole intersections and on geophysical observations.*

Table 7: Total declared Mineral Resources for De Kom 252KT

DE KOM 252KT								
Category	**Million tonnes**	**Reef width (m)***	**Pt (g/t)**	**Pd (g/t)**	**Au (g/t)**	**Rh (g/t)**	**4E (g/t)**	**4E (Moz)****
Merensky Reef								
Inferred	4.83	1.20	2.01	0.97	0.25	0.10	3.33	0.52
Subtotal	**4.83**	**1.20**	**2.01**	**0.97**	**0.25**	**0.10**	**3.33**	**0.52**
UG2								
Inferred	5.45	1.20	2.19	2.27	0.07	0.48	5.01	0.88

Subtotal	**5.45**	**1.20**	**2.19**	**2.27**	**0.07**	**0.48**	**5.01**	**0.88**
TOTAL	**10.28**							**1.40**

***** The widths are intended mining widths, and the estimated resources are thus mineable resources, and not in situ resources.
****** Geological loss of between 17% and 20% applied to tonnages for recoverable ounces – loss estimates are based on the few disturbances observed in drillhole intersections and on geophysical observations.

COMPETENT PERSONS STATEMENTS (from Nkwe Financial report for year ended 31 December 2016)

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:

- *K Lomberg (Garatouw farm UG2, De Kom property)*
- *D Subramani (Garatouw farm Merensky Reef)*
- *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.

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 Persons' findings are presented have not been materially modified from the original market announcements.

The Merensky Reef comprises a top chromitite stringer (≈0.01 m), Merensky Reef feldspathic pyroxenite and a bottom chromitite stringer (not always present). A feldspathic pyroxenite constitutes the immediate hangingwall, whereas the immediate footwall is comprised of a pegmatoid feldspathic pyroxenite. The Merensky Reef generally strikes north-northwest to south-southeast, dipping to the west at 8–10° at the Garatouw deposit and 6–8° at the Hoepakrantz deposit.

The thickness of the Merensky Reef averages 2.20 m at the Garatouw deposit, and 2.36 m at the Hoepakrantz deposit, with an irregular basal contact. The reefs (Hangingwall, Merensky Reef and Footwall) generally maintain a fairly uniform continuity, although disruptions do occur in the form of faults, dykes, potholes and iron-rich ultramafic pegmatites. Two prominent north-south trending dykes of Karoo or post-Karoo age cut across the Garatouw deposit area.

There is a strong correlation between sulphides, grade and both the top and bottom chromitite stringers. The mineralisation (and grade) tends to overlap ≈20 cm above the top chromitite stringer, and spreads

for about 80 cm below it, while grade at the bottom of the Merensky Reef tends to be localised over a few centimetres (CCIC, 2012). The highest PGE grades are linked to chromitite stringers and sulphides.

The Mineral Resources for the Merensky Reef at Garatouw was reported at a 2.5 g/t 4E (Pt+Pd+Au+Rh) cut-off value, as shown in Table 8.

The global Hoepakrantz Merensky Reef Mineral Resources, comprising of the individual Hangingwall, Merensky Reef and Footwall, was reported at no cut-off, as shown in Table 9. The Mineral Resource Statement for the Hoepakrantz Merensky Reef, reported at no cut-off, is shown in Table 10.

Table 8: Merensky Reef Mineral Resource statement of Garatouw, reported at 2.5 g/t 4E – CCIC (September 2011)

Classification	Mt	Reef width	SG	Pt	Pd	Au	Rh	Ru	Cu	Ni	4E	4E (koz)
Measured	26.42	2.31	3.29	2.06	1.00	0.23	0.12	0.24	0.06	0.16	3.41	2,895
Indicated	46.44	2.20	3.28	1.94	0.94	0.22	0.11	0.23	0.06	0.16	3.20	4,779
Measured and Indicated	**72.86**	**2.24**	**3.28**	**1.98**	**0.96**	**0.22**	**0.11**	**0.23**	**0.06**	**0.16**	**3.28**	**7,675**
Inferred	31.87	2.17	3.32	1.88	0.89	0.21	0.11	0.23	0.06	0.16	3.10	3,174

Notes: 4E = Pt+Pd+Au+Rh.

Table 9: Merensky Reef Mineral Resource statement of Hoepakrantz, reported at no cut-off – Pegram (November 2014)

Zone	Mt	4E	4E (koz)	6E	6E (koz)	Pt	Pd	Au	Rh	Cu	Ni	SG
Hanging-wall	4.86	0.38	59	0.39	61	0.15	0.08	0.14	0.01	0.10	0.21	3.27
Merensky Reef	114.93	2.58	9,522	2.79	10,322	1.56	0.74	0.19	0.09	0.07	0.16	3.27
Footwall	4.86	1.69	264	1.90	297	1.05	0.50	0.06	0.09	0.02	0.08	3.26

Notes: 4E = Pt+Pd+Au+Rh. 6E = Pt+Pd+Au+Rh+Ru+Ir

Table 10: Merensky Reef Mineral Resource statement of Hoepakrantz Merensky Reef reported at no cut-off – Pegram (November 2014)

Classification	Mt	4E	4E (koz)	6E	6E (koz)	Pt	Pd	Au	Rh	Cu	Ni	SG
Measured	-	-	-	-	-	-	-	-	-	-	-	-
Indicated	72.77	2.53	5,923	2.75	6,425	1.54	0.72	0.18	0.09	0.07	0.16	3.27
Measured and Indicated	**72.77**	**2.53**	**5,923**	**2.75**	**6,425**	**1.54**	**0.72**	**0.18**	**0.09**	**0.07**	**0.16**	**3.27**
Inferred	42.14	2.66	3,599	2.88	3,897	1.60	0.77	0.20	0.09	0.07	0.17	3.27

Notes: 4E = Pt+Pd+Au+Rh. 6E = Pt+Pd+Au+Rh+Ru+Ir.

3.2.1 Garatouw Merensky Reef

The Resource definition database used included 85 drillholes, containing a total of 397 logged Merensky Reef intervals within the mother-holes plus deflections. The total length of the mother-holes is 89,141 m, with a total length of Merensky Reef intersections in both mother-holes and deflections of 840 m. Of the 85 drillholes, 78 were used in the MRE. Seven drillholes were removed, due to not intersecting the Merensky Reef (three drillholes), intersecting the Merensky Reef but not being sampled (three drillholes), or in the case of one drillhole, being abandoned.

Figure 15: Drillhole MGR005 – a metallurgical hole (WP61)

The quality assurance and quality control (QAQC) review was based on the Merensky Mineral Resource Update Report (CCIC, 2012) as well as a Microsoft Excel spreadsheet with data (Database_Garatouw_Complete_March2018.xlsx).

Samples were initially assayed at SGS and then at Genalysis, both accredited international laboratories. The chemical assay methods appear appropriate. SG analysis was by pycnometer, which is not best practice for determining density of samples (the pycnometer results should be compared to an industry standard method such as Archimedes).

CSA Global reviewed the QAQC data that was available and believes the QAQC programme is adequate for establishing accuracy, but that it doesn't establish a lack of contamination or acceptable levels of precision. Specific Gravity should be measured using the Archimedes method to establish whether the pycnometer results are accurate.

CSA Global's high level review of the topographic data and drillhole database, indicated that the data had inconsistencies, but was adequate for the purpose of supporting Mineral Resource estimation and classification. However, prior to any future estimations, CSA Global recommends that the master database be validated and corrected and all drill holes (motherholes and deviations) be desurveyed to the validated data. Figure 7 illustrates the difference between the original drill holes and desurveyed drillholes.

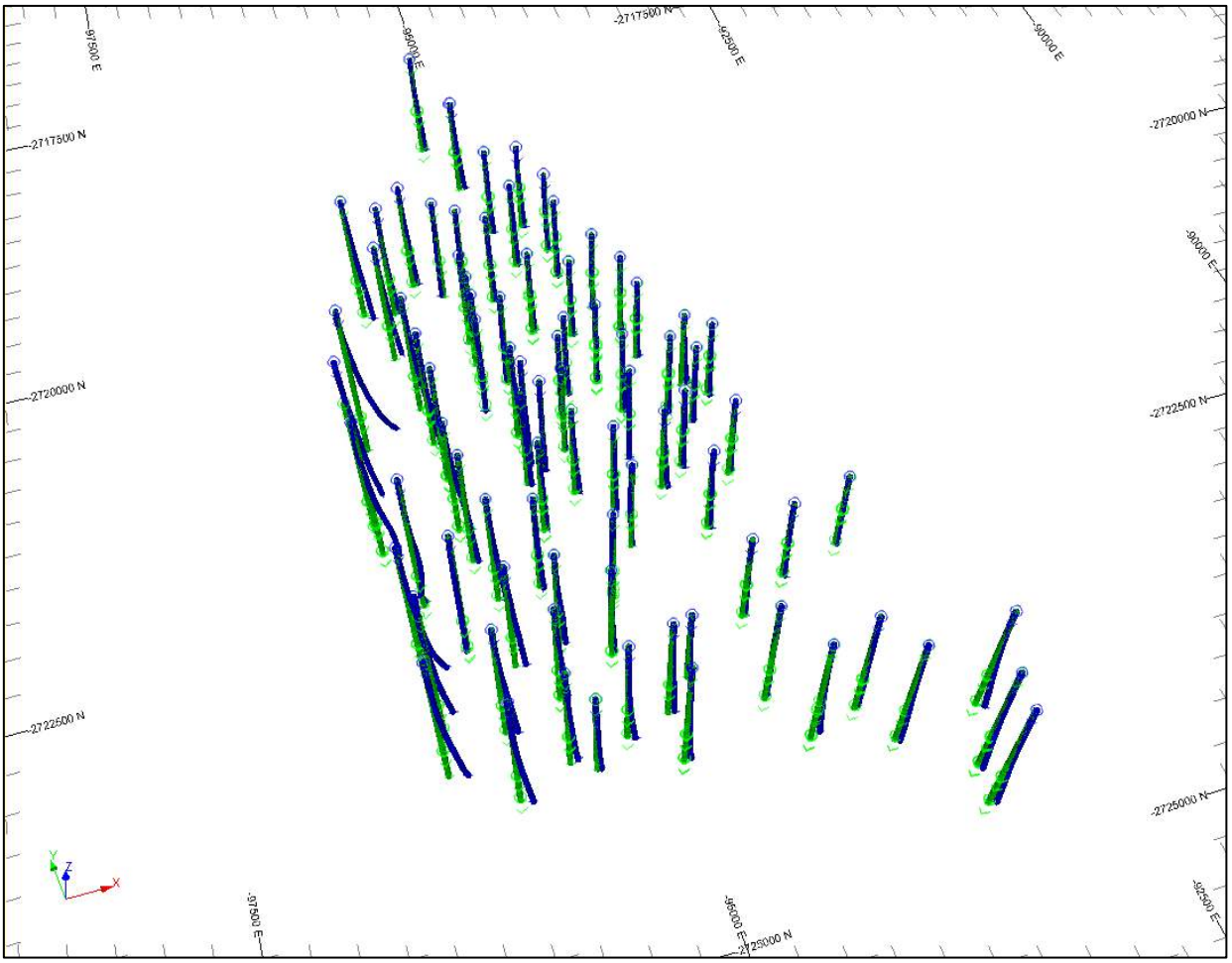


Figure 16: Three-dimensional (3D) view of the Garatouw deposit drillholes comparing the de-surveyed raw data drillholes (blue) to the CCIC (2012) drillholes (green)

The steeply dipping to vertical drillholes intersected the almost flat laying (8–10° dip) Merensky Reef at close to right angles.

The top chromitite stringer is usually present and allows for the top contact to be easily identified during geological logging. However, the bottom contact is poorly developed and usually identified by a combination of sulphide mineralisation, chromitite stringers or disseminations and assay results.

CCIC (2012) created a field for “ore” zonation in the raw drillhole file, taking lithology, stratigraphy and assay values into account. The resultant field (CCIC_STRAT) was also used as zonal control during compositing of the drillholes. CSA Global considers the methodology for the flagging and modelling of the Merensky Reef within the drillholes as reasonable.

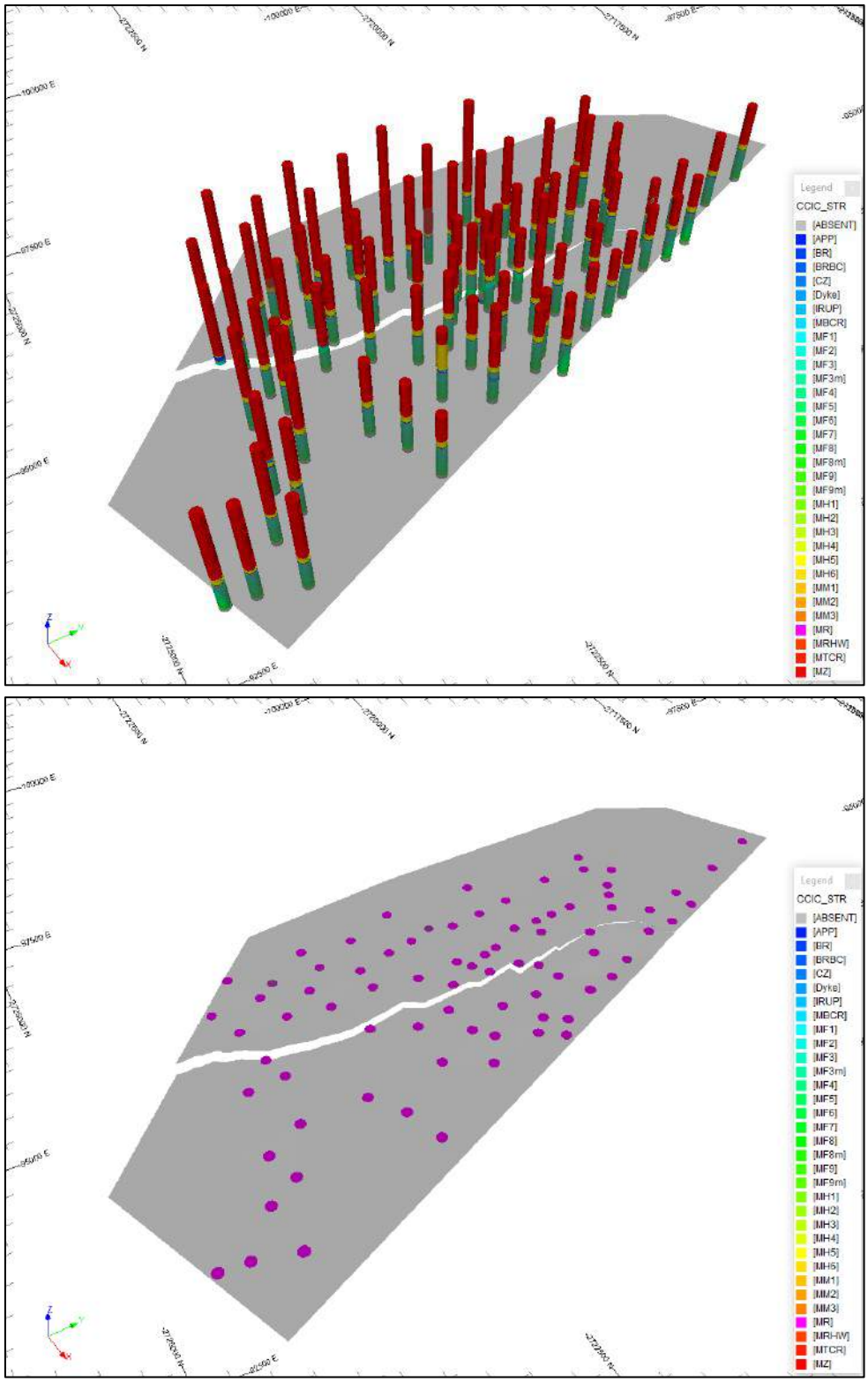


Figure 17: 3D view of the Garatouw drillholes coloured on CCIC_STRAT, and the top of the Merensky Reef

Note: The bottom image shows the drillholes filtered to CCIC_STRAT = Merensky Reef.

CCIC (2012) composited the drillholes (mother-holes and deflections combined) to the thickness of the entire Merensky Reef/interval for use in the estimation; the entire reef is expected to be mined without any selectivity in thickness.

Assays were length-weighted to account for the variable composite lengths, the metal estimated and the estimated grade back-calculated. The average reef thickness in the block model is 2.22 m, whereas the average composite length 2.24 m. CSA Global considers the compositing methodology reasonable and could also reproduce the reported composite statistics within the estimation composite file.

Nine variables were estimated, the variable 4E% (3PGE + Au) was calculated from Pt+Pd+Au+Rh.

The Merensky Reef was estimated as a single domain. Variography was modelled on the uncut composited data. CSA Global recommends top-cutting prior to variography, to improve the estimate. However, as very few samples were top-cut, and these cuts were not extreme the issue is not considered material. Estimation was done in 2D, and the focus of the modelling was along and across strike.

The variograms were modelled as isotropic structures, showing robust structure and continuity. Variogram ranges appear reasonable, based on review of the parameters. The nugget values are within the range expected for this style of mineralisation, although Au could potentially be modelled slightly higher. CSA Global considers the modelled variograms reasonable for use in the MRE.

CCIC (2012) reviewed the composited length-weighted grade data of all the variables (excluding LENGTH and SG) and applied top-cuts based on:

- Histograms of sample distributions
- Sample percentiles
- Spatial locations of “outlier” samples
- Validation of model estimates against samples
- Swath analyses.

CSA Global’s opinion is that all the top-cuts are reasonable, since the metal loss due to top-cutting is minimal for all variables (within 2%), as summarised in Table 11.

Table 11: Garatouw deposit – summary of metal loss following top-cutting

Variable	Top-cut value	No. cut	Uncut mean	Cut mean	% drop
PT_MGT	10	1	4.291	4.260	-1%
PD_MGT	5.5	1	2.065	2.049	-1%
AU_MGT	1.5	2	0.482	0.473	-2%
RH_MGT	0.5	2	0.249	0.245	-2%
RU_MGT	1	3	0.517	0.509	-2%
CU_MGT	0.3	2	0.139	0.137	-1%
NI_MGT	0.7	1	0.357	0.354	-1%

Kriging Neighbourhood Analysis (KNA) was completed in a well-informed data location. Optimisation focussed on the X and Y directions.

A block model parent cell size (XYZ) of 300 m x 300 m x 50 m, with sub-celling (XY) to 75 m x 75 m (on the project boundary) was used. The primary search distance was set to 300 m x 300 m x 50 m, with a minimum of four and a maximum of eight samples. The secondary search was set to three times the primary search volume, with a minimum of two and a maximum of 10 samples. Discretisation was set to 6 x 6 x 1. No rotation was applied to the model.

CSA Global considers the estimation parameters reasonable. However, blocks estimated within the secondary search volume should be considered during classification, since these estimated blocks will have less confidence.

Estimation was completed using Ordinary Kriging (OK) into the parent cells of a 2D block model for the entire Merensky Reef interval as a single domain. Following estimation, the ZINC field was reset to the

estimated Reef Thickness (REEFTHK), with a minimum size of 1.79 m, and a maximum size of 2.52 m. The final grade of the variables in the model were back-calculated by dividing the estimated METAL_MGT by the estimated LENGTH (REEFTHK). CSA Global considers the estimation methodology for the calculation of grade and tonnage of the MRE reasonable for the deposit style and setting. However, it should be noted that the model is in 2D and that all data, both composites and model, have been set to an elevation of 500 m RL. The reef thickness, corresponding to the ZINC in the model, is an estimated field from the LENGTH field in the composite file. Length is the composited thickness of the Merensky Reef. The 2D model is not suited for use in 3D mine planning.

There is no dyke or fault displacement in the 2D model. Geological loss is considered in the tonnage, where 15% loss is applied to the tonnage of the Measured and Indicated Mineral Resources, and 20% loss is applied to the tonnage of the Inferred Mineral Resources (CCIC, 2012). These geological loss factors were determined by Coffey Mining (2010) based on information from nearby mining operations. CSA Global considers the established methodology of decreasing the tonnage of the MRE, based on knowledge of the regional geology and mining history, as reasonable.

CSA Global undertook the following validation of the Garatouw MRE:

- CSA Global could reproduce the reported Mineral Resource numbers for the Garatouw MRE, at a 2.5 g/t 4E cut-off by Mineral Resource classification (Table 12).
- Comparisons of block model and composite grades were undertaken globally for the Merensky Reef. De-clustering was applied to remove any bias due to drill spacing prior to validation. The comparisons returned good results for all estimated variables, with values within 3% (Table 13).
- Swath plots of the global Merensky Reef MRE, per estimated variable, were created for northings, eastings and elevation. Some smoothing is evident between the input composite grade and the output block grade. However, overall the input grade tenor is well represented in the block grade, as shown in the example for PT_MGT (Figure 18). The block model is well supported by drilling throughout in northing and easting. The elevation is set to 500 mRL for both model and composites.
- The 2D block model and input composites were reviewed in plan view at 500 mRL to compare local grade distributions. The block grades reflected the input composite grades locally throughout the Garatouw MRE, as shown in the example for PT_MGT (Figure 19). Smoothing of grade between widely spaced data points was observed at the deposit extremities, within the Inferred Mineral Resources.

Table 12: Comparison between Garatouw MRE, as reported by CCIC (2012) and reproduced by CSA Global

Classification	Mt	Reef width	SG	Pt	Pd	Au	Rh	Ru	Cu	Ni	4E	4E (koz)
CCIC (2011) – reported at 2.5 g/t 4E cut-off grade												
Measured	26.41	2.31	3.29	2.06	1.00	0.23	0.12	0.24	0.06	0.16	3.41	2,895
Indicated	46.44	2.20	3.28	1.94	0.94	0.22	0.11	0.23	0.06	0.16	3.20	4,779
Inferred	31.87	2.17	3.32	1.88	0.89	0.21	0.11	0.23	0.06	0.16	3.10	3,174
CSA Global, reporting CCIC (2011) MRE – reported at 2.5 g/t 4E cut-off grade												
Measured	26.42	2.31	3.30	2.06	1.00	0.23	0.12	0.24	0.06	0.16	3.41	2,895
Indicated	46.44	2.20	3.29	1.94	0.94	0.22	0.11	0.23	0.06	0.16	3.20	4,779
Inferred	31.87	2.17	3.32	1.88	0.89	0.21	0.11	0.23	0.06	0.16	3.10	3,174
% difference (CSA Global – CCIC reported)/CCIC reported												
Measured	0%	0%	0%	0%	0%	0%	-4%	0%	7%	2%	0%	0%
Indicated	0%	0%	0%	0%	0%	-1%	0%	-1%	3%	0%	0%	0%
Inferred	0%	0%	0%	0%	0%	2%	0%	-1%	3%	-1%	0%	0%

Table 13: Garatouw deposit – naïve, de-clustered and model mean grade comparisons for estimated variable within the Merensky Reef

Variable	Naïve sample mean (top-cut)	De-clustered composite mean (top-cut)	Model mean	% difference (naïve mean vs. model mean)	% difference (de-clustered mean vs. model mean)
PT_MGT	4.26	4.29	4.19	-1.62	-2.26
PD_MGT	2.05	2.06	2.00	-2.19	-2.87
AU_MGT	0.47	0.47	0.47	-1.39	-1.80
RH_MGT	0.24	0.25	0.24	-1.51	-2.09
RU_MGT	0.51	0.51	0.50	-1.56	-2.07
CU_MGT	0.14	0.14	0.13	-1.97	-2.22
NI_MGT	0.35	0.35	0.35	-1.27	-1.37
REEFTHK	2.24	2.23	2.22	-0.71	-0.58
SG	3.30	3.29	3.30	0.16	0.20

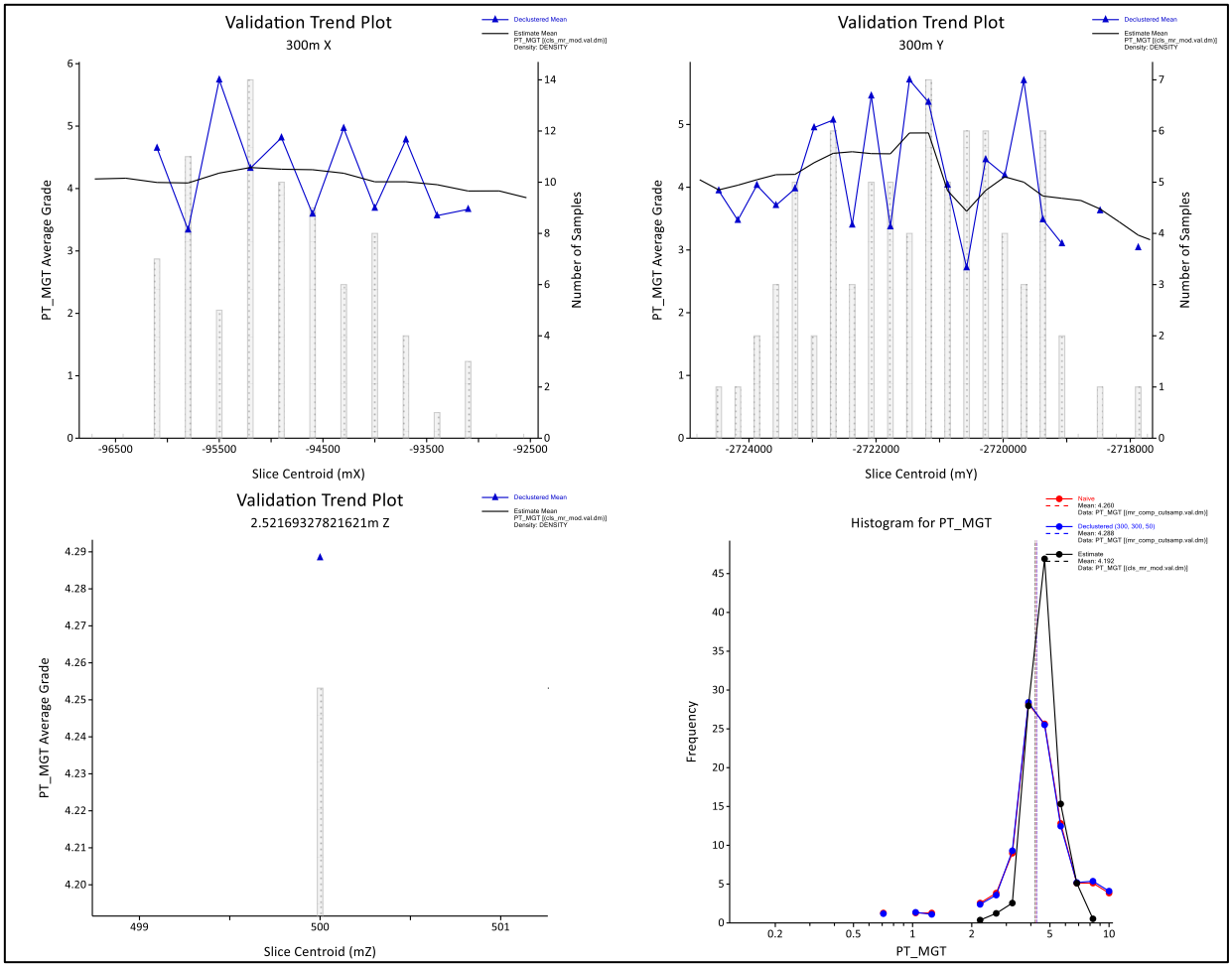


Figure 18: Garatouw deposit – swath plot by 300 m easting, 300 m northing and 50 m elevation showing Pt g/t within the Merensky Reef (Measured, Indicated and Inferred Mineral Resources)

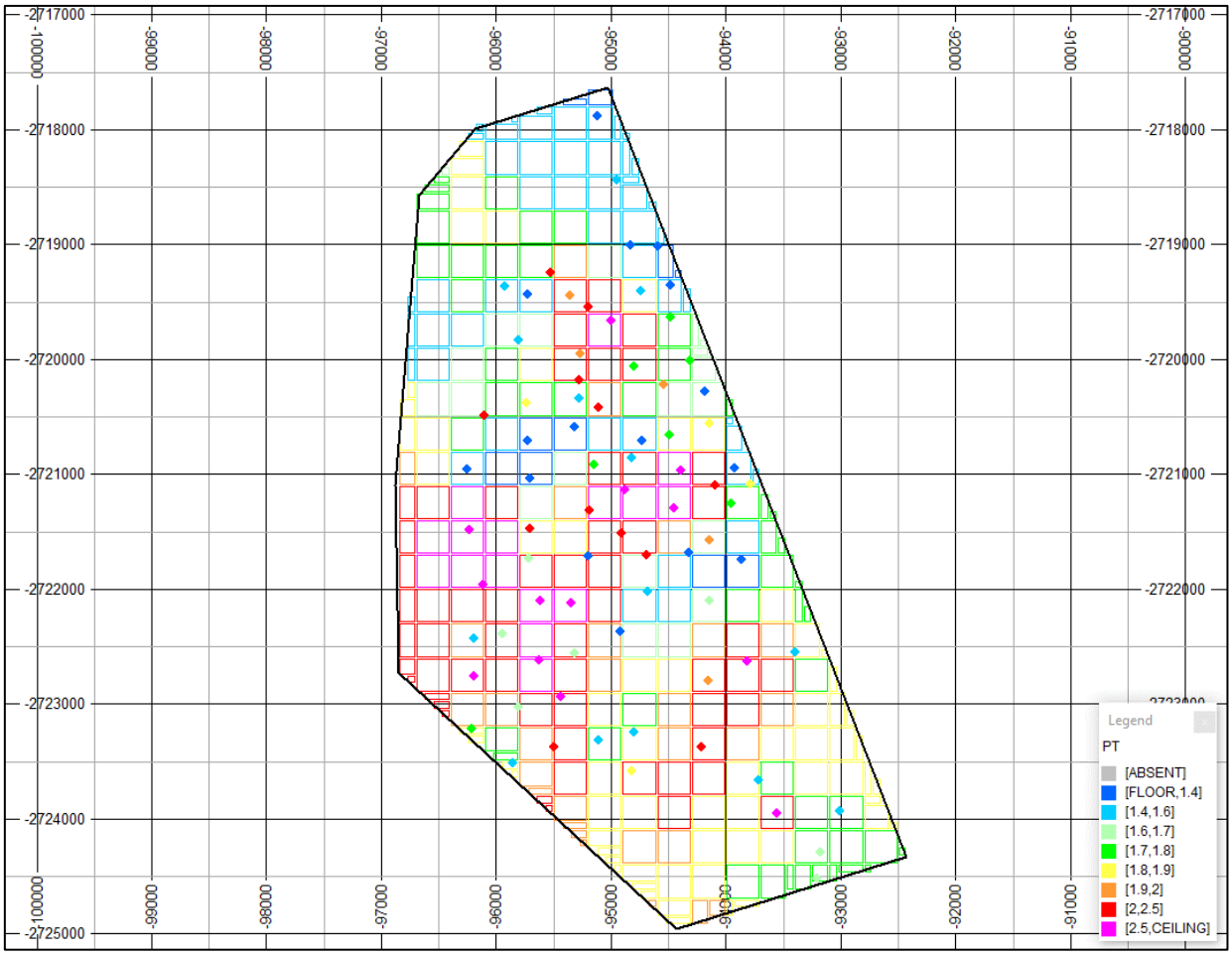


Figure 19: Plan view showing Pt g/t grade for the Garatouw MRE vs. composites

The Mineral Resource has been classified by CCIC (2012) in accordance with the SAMREC reporting code. CCIC believes the drilling method, sample collection and preparation, sample assay determination, geological understanding and grade continuity are of a sufficient standard to support a MRE (CCIC, 2012). The following criteria were used to assign resource classification codes (CCIC, 2012):

- The geological interpretation and its relationship with mineralisation
- Logging and sampling techniques
- The quality and reliability of the geological database
- The spatial coverage and spacing of drillholes
- Estimation methodologies and techniques.

From visual inspection, the Measured, Indicated and Inferred Mineral Resource categories appear reasonable (Figure 20). CSA Global believes there is sufficient confidence to be able to assume the geological and grade continuity at the Garatouw deposit is as required by SAMREC guidelines. However, it is recommended that kriging statistics (such as kriging efficiency and slope of regression) and search volume within which the blocks were estimated, should be taken into consideration as well. Classification should be reviewed if the model is updated as a 3D estimate in future.

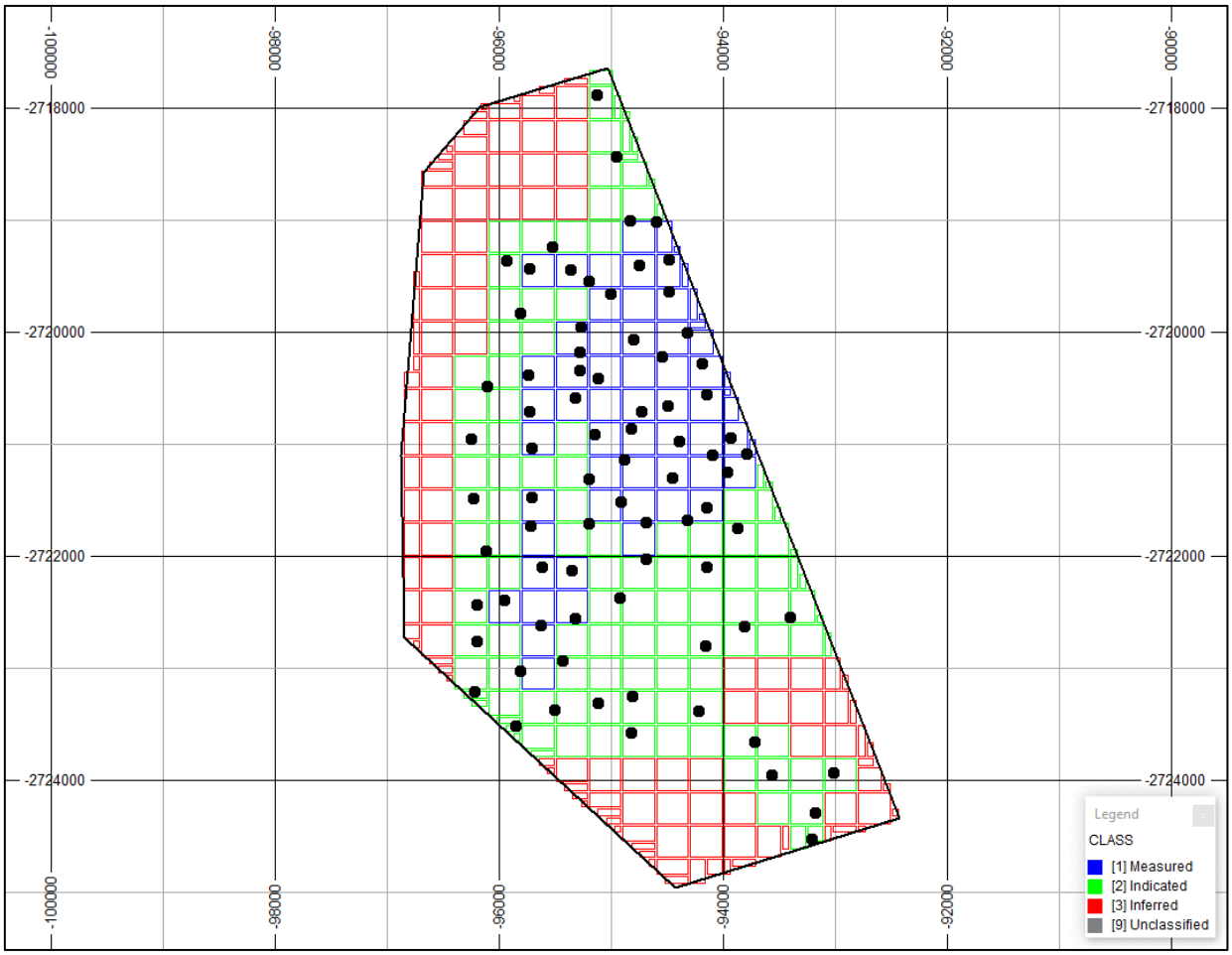


Figure 20: Plan view of the Garatouw deposit, showing the MRE classification

Previous MREs for the Garatouw deposit reported the following Mineral Resource statements for the Merensky Reef:

- Dr C Lemmer (January 2009): Indicated and Inferred Mineral Resources totalling 67.8 Mt grading 4.74 g/t 4E estimated bulked grade, yielding 10.33 Moz of 4E metal.
- Coffey Mining (November 2010): Measured, Indicated and Inferred Mineral Resources totalling 56.26 Mt, grading at 4.35 g/t 4E, yielding 7.87 Moz of 4E metal.

CSA Global did not review any of the previous MREs and cannot comment as to their appropriateness and validity.

CCIC reported the 2011 MRE at an economic cut-off grade of 2.5 g/t 4E, in order to consider that part of the deposit that has a reasonable and realistic prospect for eventual economic extraction. The resultant MRE totals 104.7 Mt of Measured, Indicated and Inferred Mineral Resources, grading at 3.22 g/t 4E, containing 10.85 Moz of 4E metal. CCIC (2012) attributed the increase in tonnage and subsequent decrease in grades in comparison to the previous MREs due to the fact that the entire Merensky Reef (2.21 m) has been estimated, whereas the previous MREs were based on a 1.20 m (Dr C. Lemmer, 2009) and 1.10 m (Coffey Mining, 2010) fixed “mining cut” from the top contact of the Merensky Reef.

CSA Global considers the current 2011 CCIC MRE and classification of the Garatouw deposit Mineral Resources to be acceptable and fit for the purpose of supporting a valuation. No fatal flaws have been identified.

3.2.2 Hoepakrantz Merensky Reef

The Resource definition database used included 24 drillholes, containing a total of 120 logged Merensky Reef intervals within the mother-holes plus deflections. The total length of the mother-holes is 22,308 m, with a total length of Merensky Reef intersections in both mother-holes and deflections of 229 m. Of the 24 drillholes, 23 were used in the MRE. One drillhole was removed, due to massive disturbances in both grade and thickness resulting from intersection with iron-rich ultramafic pegmatites.

The QAQC review was based on the Hoepakrantz Mineral Resource Estimation Report (Pegram, 2014) as well as a Microsoft Excel spreadsheet with data (Database_HPK_Complete_March2018 - Copy.xlsx).

Samples were assayed at Genalysis, an accredited international laboratory and the chemical assay methods appear appropriate. SG analysis was by pycnometer which is not best practice for determining density of samples (the pycnometer results should be compared to an industry standard method such as Archimedes).

CSA Global believes the QAQC program is adequate for establishing accuracy (with a lower confidence for gold assays) but that it does not establish a lack of contamination or acceptable levels of precision. SG should be measured using the Archimedes method to establish whether the pycnometer results are accurate.

The topographic surface was constructed from a LiDAR survey conducted in 2009 and is considered of sufficient resolution and accuracy for use in the MRE. The extent of the MRE was constrained by the Hoepakrantz Property boundary.

CSA Global noted some non-material issues in the drillhole database. The downhole de-surveyed raw data compared to the Pegram (2014) de-surveyed drillhole file (dh_hoepenkrantz.dm) is shown in Figure 21. The drillhole traces match within acceptable limits.

However, CSA Global recommends that the master database be validated and corrected and all drillholes (mother-holes and deviations) be de-surveyed to the validated data prior to any future MRE.

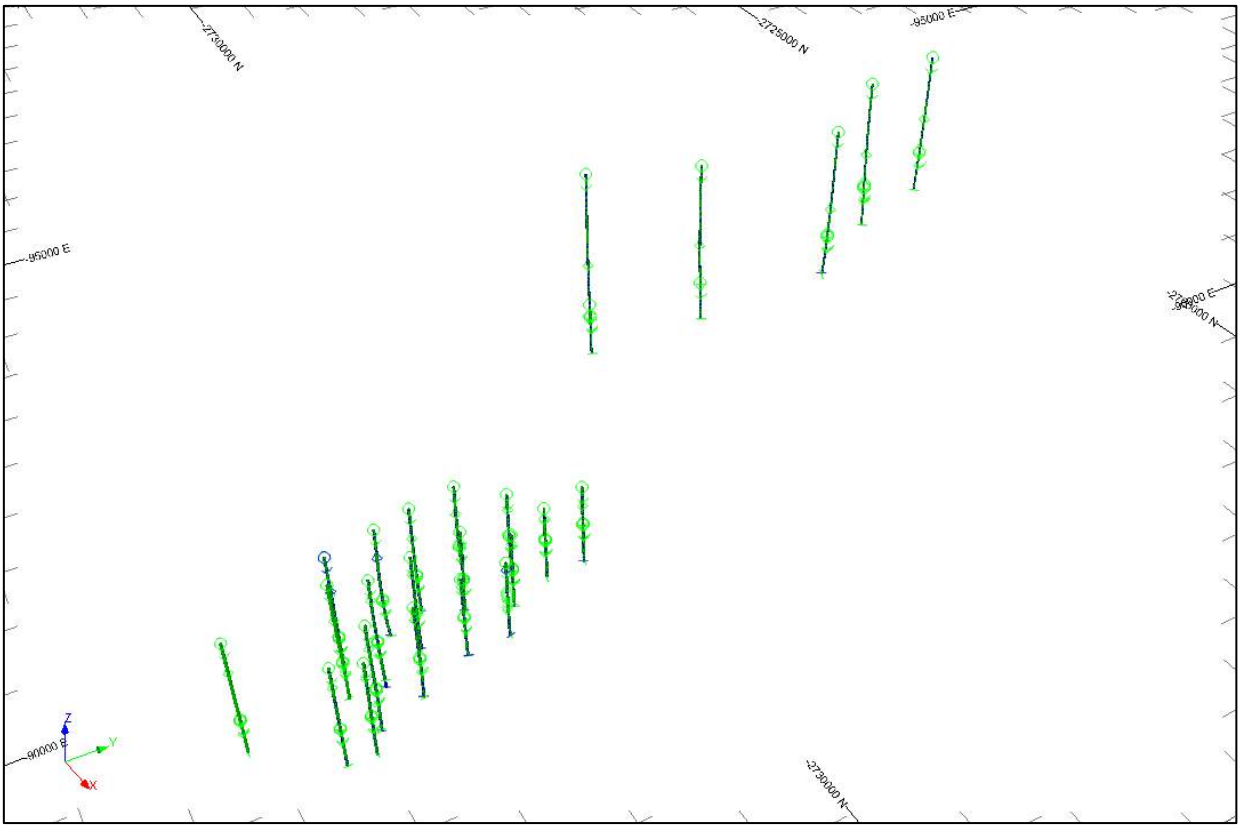


Figure 21: 3D view of the Hoepakrantz drillholes, comparing the de-surveyed raw data drillholes (blue) to the Pegram (2014) drillholes (green)

The steeply dipping to vertical drillholes intersected the almost flat laying (6–8° dip) Merensky Reef at close to right angles.

Pegram (2014) created solid wireframes for the Hangingwall, Merensky Reef and Footwall, based on logged geology and assay values. The Merensky Reef code within the stratigraphy field was used in the creation of the Merensky Reef top and bottom contacts (Figure 22). CSA Global considers the methodology for the flagging and modelling of Hangingwall, Merensky Reef and Footwall within the drillholes as reasonable.

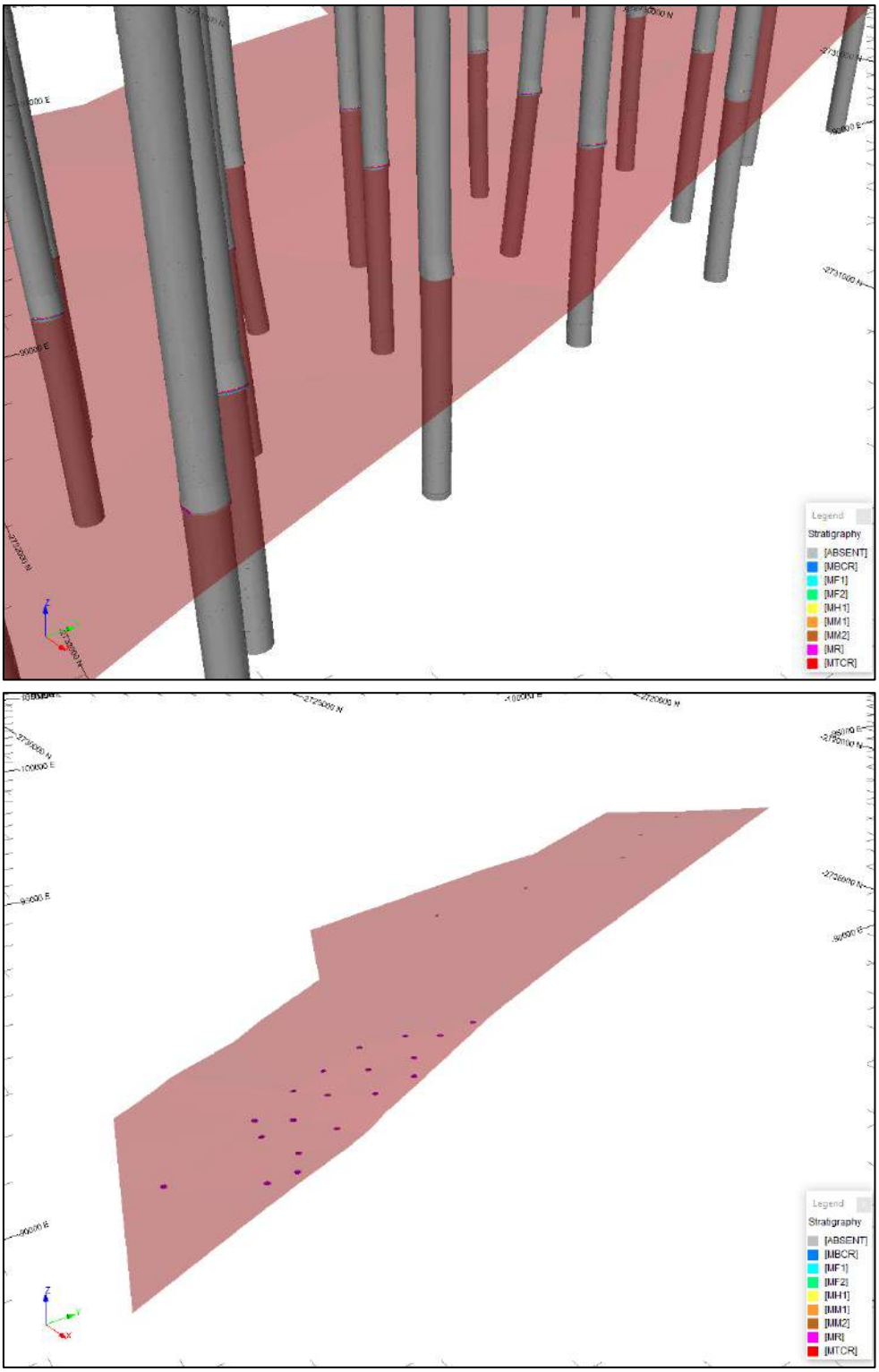


Figure 22: 3D view of the Hoepakrantz drillholes, coloured on stratigraphy, showing the top of the Merensky Reef (bottom image shows the drillholes filtered to Stratigraphy = Merensky Reef)

The Merensky Reef was defined as being 20 cm above the top chromitite stringer and 10 cm below the bottom chromitite stringer, as long as this interval exceeded the recommended mining cut of 2.2 m (Pegram, 2014). The Hangingwall was then defined as the next 10 cm above the Merensky Reef and the Footwall as the next 10 cm below the Merensky Reef. Pegram (2014) composited the drillholes (mother-holes and deflections combined) to the thickness of the entire Merensky Reef/interval for use in the estimation.

It is important to note that the populations in the Merensky Reef are bi-modal for all variables (Pt, Pd, Au and Rh shown as examples in Figure 23), except for SG and LENGTH.

CSA Global considers that it is not appropriate to use OK estimation on bi-modal populations since the data is not stationary. Ideally, each population domain should be modelled and estimated separately. However, it is acknowledged that the dataset is small and sub-domaining might not be possible. It would be appropriate to reflect this level of uncertainty inherent in the MRE via the classification of the estimate.

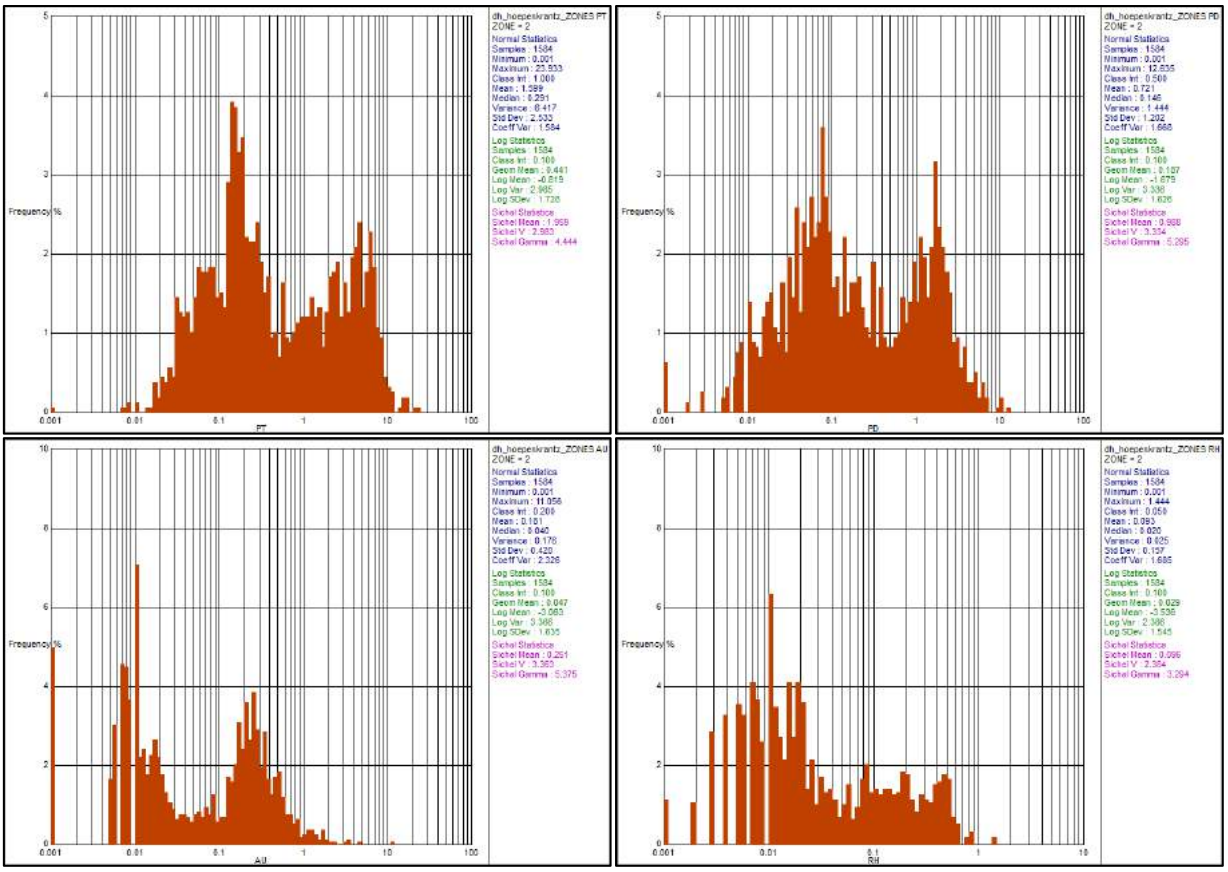


Figure 23: Bi-modal populations (clockwise from top left) for Pt g/t, Pd g/t, Au g/t and Rh g/t, within the raw uncomposited drillhole data of the Merensky Reef (Hoepakrantz deposit)

The variable thickness of the Merensky Reef was modelled as an additional estimation variable. The average Merensky Reef thickness in the block model is 2.36 m, whereas the average de-clustered composite length 2.30 m. The Hangingwall and Footwall thickness was set to 0.1 m in the block model following estimation. CSA Global considers the compositing methodology reasonable and could also reproduce the reported composite statistics within the estimation composite file.

The Hangingwall, Merensky Reef and Footwall were estimated as individual domains. No top-cuts were applied to the data. CSA Global endorses the decision not to top-cut in this case, any outliers were considered not to have a material influence. Variography was modelled on the uncut composited data.

The variograms were modelled as omni-directional and directional structures. Pegram (2014) noted no preferred directionality and applied the omni-directional variograms, and search ellipses. The modelled variograms for the Merensky Reef are generally well structured with good continuity. The nuggets could be modelled slightly higher for Au, Rh, Ni and 6E, but it is not considered a fatal flaw. CSA Global considers the modelled variograms for the Merensky Reef reasonable for use in the MRE.

The modelled variograms for the Hangingwall and Footwall are poorly structured and not appropriate for use in the estimation. CSA Global recommends that the variograms for the Merensky Reef be applied to

the Hangingwall and Footwall domains. However, these domains are small and contributes 4% each to the total estimate and as such the issue is not considered material.

KNA was done using the 4E variogram and composite data, testing three locations with varying data support. The block sizes within the limits of the Hoepakrantz project boundary are considered appropriate on the basis of the average drill spacing of 275 m in the south, and the estimated Reef Thickness (TRUE_LEN) field being used for volume calculations. The current model has the large parent cells overlapping the project boundary, and as a result, the volume represented by the model will be slightly larger than what is within the project (Figure 24). CSA Global recommends that sub-celling be used to improve the definition of the boundary in X and Y.

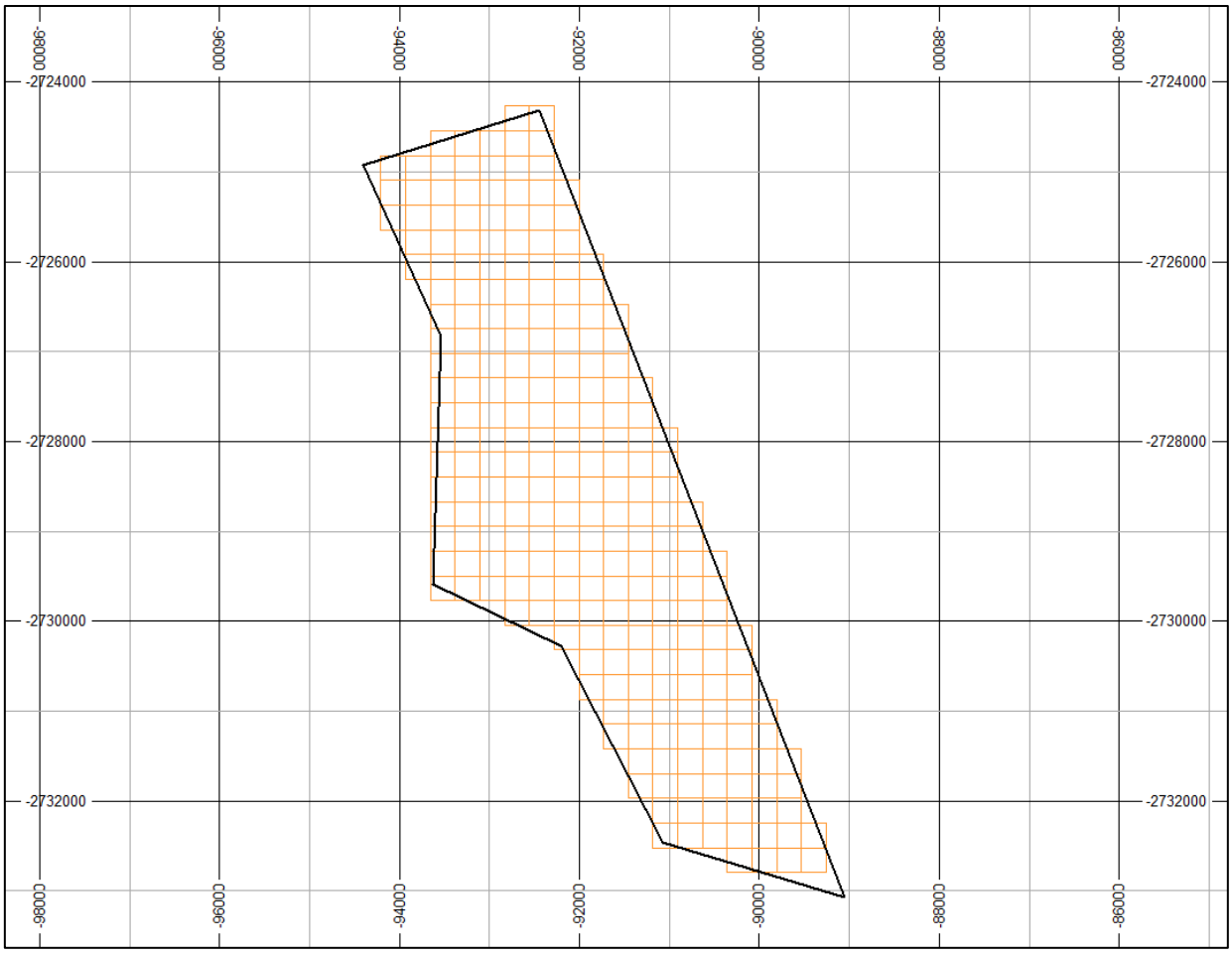


Figure 24: Plan view showing parent cells with no sub-celling (overlapping the Hoepakrantz project boundary)

A single search was used, applying ellipsoid search parameters based on the modelled variograms. The variograms are isotropic and the search range reflected the variogram range, effectively between 819 m and 2,113 m, depending on zone and variable, with a minimum of four and a maximum of 21 samples. CSA Global recommends that a lower number of maximum samples be used, as well as a smaller search volume one, with an added second search to the longer ranges to reduce excessive smoothing of the estimates. Discretisation is unknown. No rotation was applied to the model.

CSA Global does not consider the selected estimation parameters for the Hoepakrantz deposit optimal.

Nine variables were estimated into the parent cells of a 3D block model using OK estimation, by domain (Hangingwall, Merensky Reef and Footwall). It is not evident why 6E g/t was estimated, but 4E g/t was not estimated and was instead an addition of the estimated variables Pt g/t, Pd g/t, Au g/t and Rh g/t. Pegram (2014) does not explain this approach.

Pegram (2014) reset some smaller 6E values which were smaller than the 4E values, by applying an average factor 4E to recalculate 6E. However, this only appeared to occur within the Hangingwall (nine instances) and Footwall (18 instances). However, this treatment of the 4E and 6E within the Hangingwall and Footwall zones was not considered to be material as the HW and FW each contribute 4% to the final combined MRE (Hangingwall, Merensky Reef and Footwall). CSA Global does not consider applying factors to estimated variables appropriate and recommends that both 4E and 6E be calculated following estimation based on the addition of the related estimated variables.

No dykes or faults resulting in displacement within the geological model were modelled. However, geological loss is considered in the tonnage, where 20% loss is applied to the tonnage of the Hangingwall, Merensky Reef and Footwall within the MRE (Pegram, 2014). The geological loss factor is based on knowledge of the regional geology (including the adjacent Garatouw deposit) and information from nearby mining operations. CSA Global considers the established methodology of decreasing the tonnage of the MRE as reasonable.

CSA Global undertook the following validation of the Hoepakrantz MRE:

- CSA Global could reproduce the reported global Mineral Resource numbers for the Hangingwall, Merensky Reef and Footwall within the Hoepakrantz MRE, at no cut-off (Table 14).
- CSA Global could not reproduce the reported Mineral Resource numbers for the Merensky Reef within the Hoepakrantz MRE, at no cut-off by Mineral Resource classification (Table 15).
- Comparisons of block model and de-clustered composites (dh_declust_hoepenkrantz.dm) grades were undertaken globally for the Merensky Reef. The comparisons returned reasonable results for all estimated variables, with values within 11% (Table 16).
- Swath plots of the global Merensky Reef MRE, per estimated variable, were created for northings, eastings and elevation. Smoothing is evident between the input de-clustered composite grade and the output block grade (Pt g/t shown as an example in Figure 16). The block model is mainly supported by drilling in the south.
- The 3D block model and input composites for the Merensky Reef were reviewed in plan view to compare local grade distributions. The block grades reflected the input composite grades in the South where the majority of the drilling is located, as shown in the example for Pt g/t (Figure 17). Smoothing of grade between widely spaced data points was observed at the deposit extremities and in the north.

Table 14: Comparison between global Hangingwall, Merensky Reef and Footwall within the Hoepakrantz MRE, as reported by Pegram (2014) and reproduced by CSA Global

Zone	Mt	4E	4E (koz)	6E	6E (koz)	Pt	Pd	Au	Rh	Cu	Ni	SG
Pegram (2014) – reported at no cut-off grade												
Hanging-wall	4.86	0.38	59	0.39	61	0.15	0.08	0.14	0.01	0.10	0.21	3.27
Merensky Reef	114.93	2.58	9,522	2.79	10,322	1.56	0.74	0.19	0.09	0.07	0.16	3.27
Footwall	4.86	1.69	264	1.90	297	1.05	0.50	0.06	0.09	0.02	0.08	3.26
CSA Global, reporting Pegram (2014) MRE – reported at no cut-off grade												
Hanging-wall	4.86	0.38	59	0.40	63	0.15	0.07	0.14	0.01	0.10	0.21	3.27
Merensky Reef	114.93	2.58	9,522	2.79	10,321	1.56	0.74	0.19	0.09	0.07	0.16	3.27
Footwall	4.86	1.69	264	1.90	297	1.05	0.50	0.06	0.09	0.02	0.08	3.26
% difference (CSA Global – Pegram reported)/Pegram reported												
Hanging-wall	0%	0%	0%	4%	4%	0%	0%	0%	-6%	0%	0%	0%
Merensky Reef	0%	0%	0%	0%	0%	0%	0%	0%	0%	-1%	0%	0%
Footwall	0%	0%	0%	0%	0%	0%	0%	0%	1%	-1%	0%	0%

Table 15: Comparison between MR, by Mineral Resource classification within the Hoepakrantz MRE, as reported by Pegram (2014) and reproduced by CSA Global

Classification	Mt	4E	4E (koz)	6E	6E (koz)	Pt	Pd	Au	Rh	Cu	Ni	SG
Pegram (2014) – Merensky Reef reported at no cut-off grade												
Measured	-	-	-	-	-	-	-	-	-	-	-	-
Indicated	72.79	2.53	5,923	2.75	6,425	1.54	0.72	0.18	0.09	0.07	0.16	3.27
Inferred	42.14	2.66	3,599	2.88	3,897	1.60	0.77	0.20	0.09	0.07	0.17	3.27
CSA Global, reporting Pegram (2014) MRE – Merensky Reef reported at no cut-off grade												
Measured	-	-	-	-	-	-	-	-	-	-	-	-
Indicated	32.43	2.42	2,526	2.63	2,742	1.50	0.68	0.15	0.08	0.06	0.15	3.29
Inferred	82.50	2.64	6,997	2.86	7,580	1.58	0.76	0.20	0.09	0.07	0.17	3.27
% difference (CSA Global – Pegram reported)/Pegram reported												
Measured	-	-	-	-	-	-	-	-	-	-	-	-
Indicated	-55%	-4%	-57%	-4%	-57%	-2%	-6%	-16%	-3%	-5%	-4%	0%
Inferred	96%	-1%	94%	-1%	94%	-1%	-1%	3%	-1%	0%	0%	0%

Table 16: Hoepakrantz deposit – de-clustered and model mean grade comparisons for estimated variables within the Merensky Reef

Variable	De-clustered composite mean	Model mean	% difference (de-clustered mean vs. model mean)
Pt g/t	1.49	1.56	4.68
Pd g/t	0.69	0.74	7.29
Au g/t	0.17	0.19	10.81
Rh g/t	0.08	0.09	5.54
Cu%	0.06	0.07	9.44
Ni%	0.15	0.16	7.33
6E g/t	2.64	2.79	5.70
SG	3.27	3.27	-0.10
TRUE_LEN	2.30	2.36	2.43

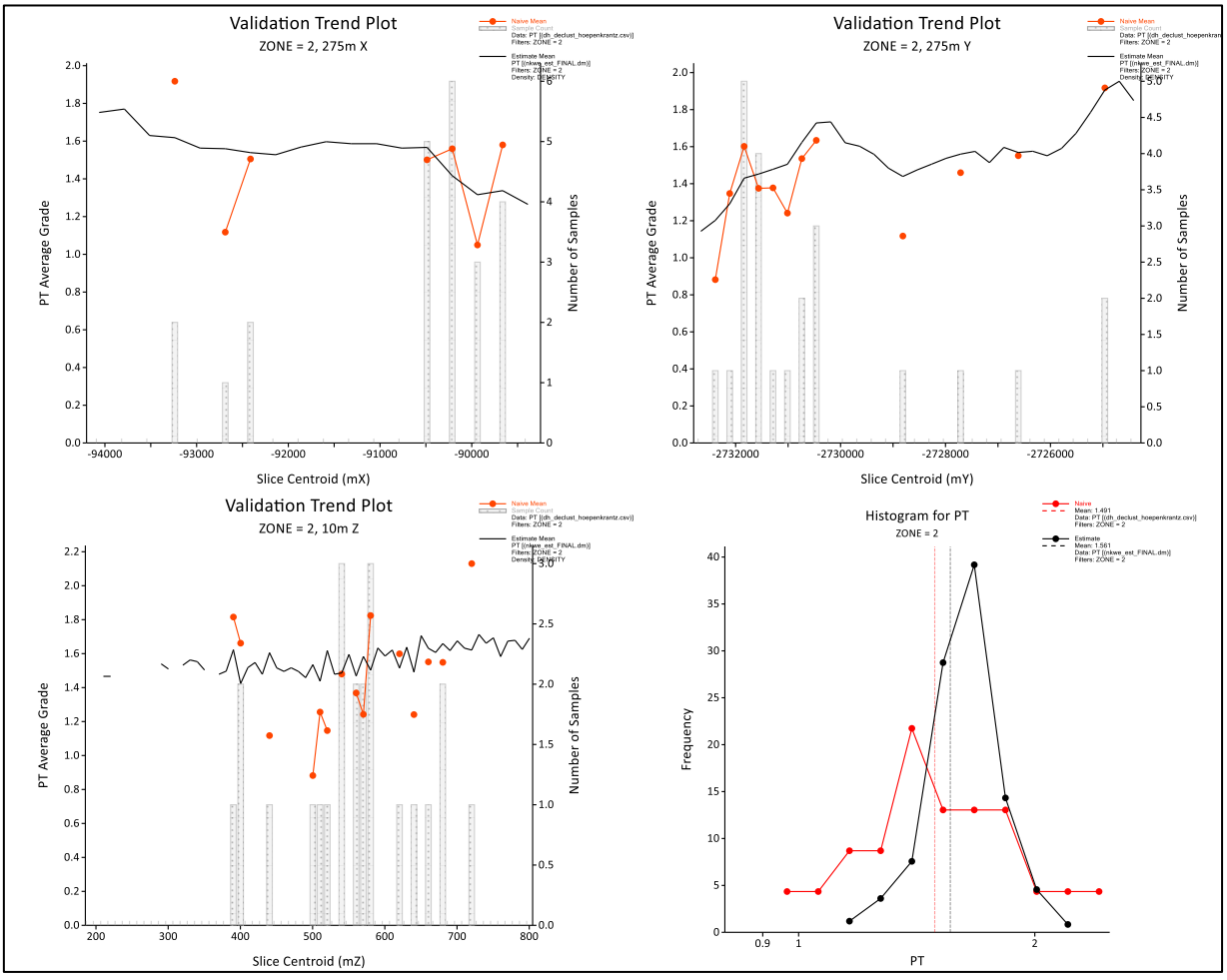


Figure 25: Hoepakrantz deposit – swath plot by 275 m easting, 275 m northing and 10 m elevation showing Pt g/t within the Merensky Reef (global – Indicated and Inferred Mineral Resources)

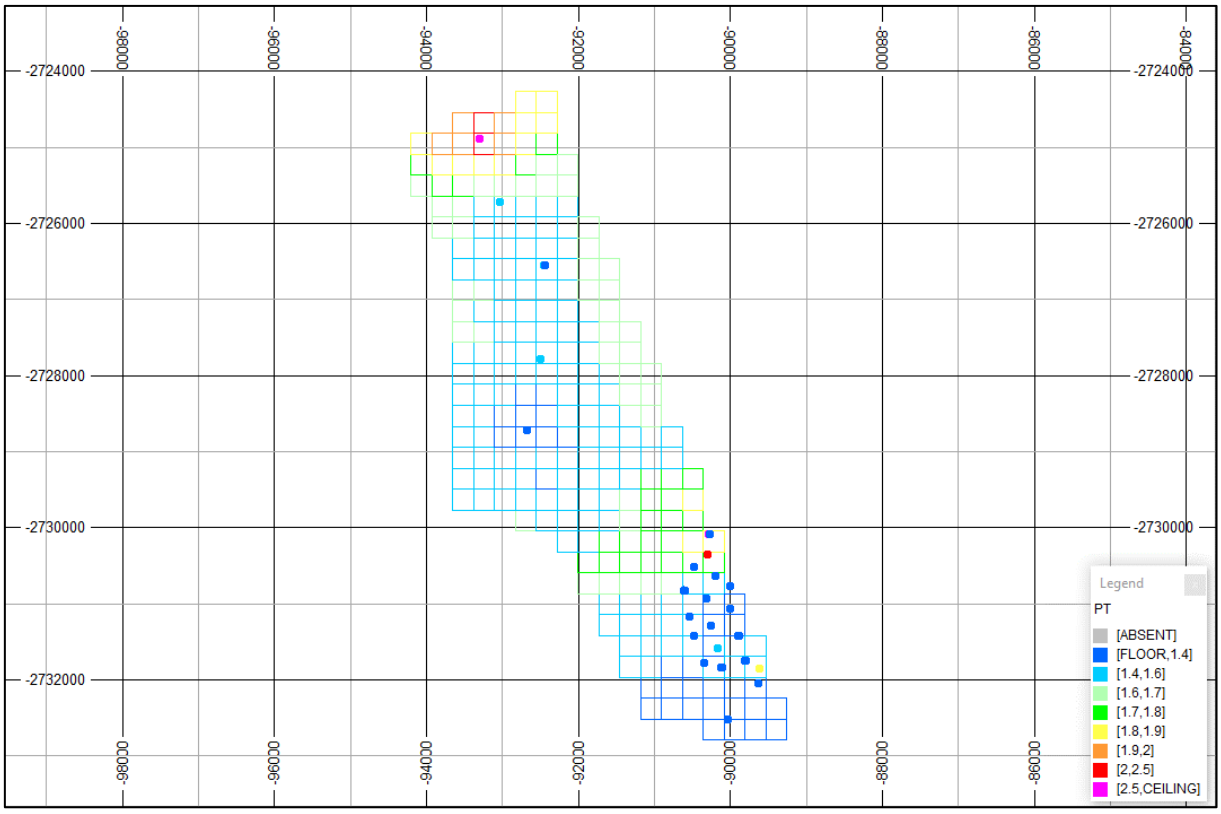


Figure 26: Plan view showing Pt g/t grade for Merensky Reef within the Hoepakrantz MRE vs. composites

The resource classification was based on the ranges established from the variograms, which are a function of the data support. Pegram (2014) considered each of the estimated variables, with their own unique ranges and estimation parameters, when assigning the resource classification. This involved assigning a single resource classification for the entire estimate, based on the cumulative score of each variable's resource classification, as follows:

- Measured ≤ 11 (single MRE classification code = 1)
- Indicated ≤ 20 (single MRE classification code = 2)
- Inferred ≤ 27 (single MRE classification code = 3).

Pegram (2014) acknowledges that the 23 data points available for the estimate, across a region this extensive and at their large average spacings, is insufficient for the estimate to have high levels of confidence. As such, based on the lack of data support and the lack of geological knowledge, Pegram (2014) downgraded the Measured Mineral Resources to Indicated Mineral Resources.

Following review of the MRE methodology, the limited dataset, smoothing of grade during estimation and visual inspection, CSA Global believes the extend of the Indicated Mineral Resource category is not appropriate (Figure 27).

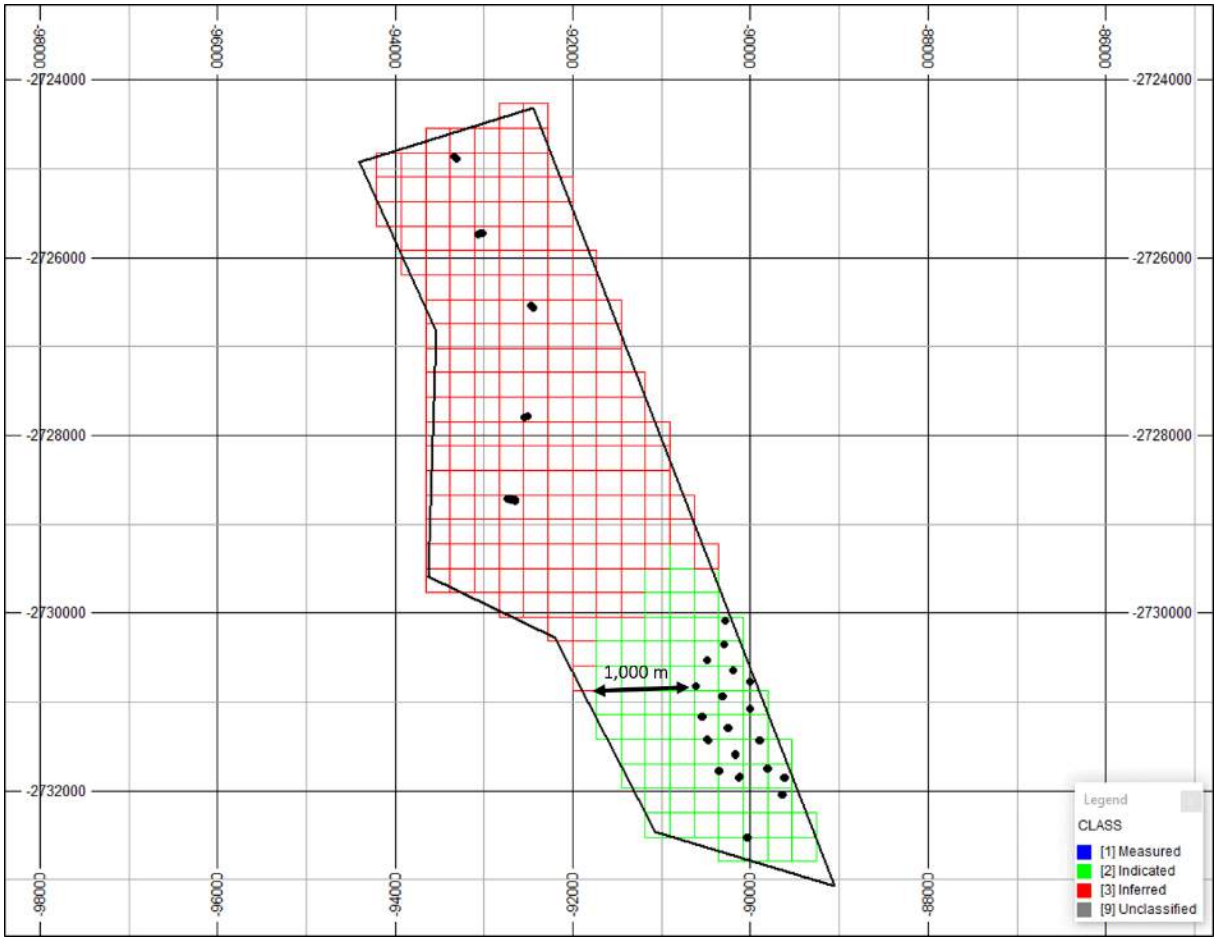


Figure 27: Plan view of the MR within the Hoepakrantz deposit, showing the MRE classification

The previous MRE for the Hoepakrantz deposit reported the following Mineral Resource statement for the total Hangingwall, Merensky Reef and Footwall (Pegram, 2014):

- Dr C. Lemmer (unknown): Mineral Resources totalling 54.038 Mt, grading at 3.28 g/t 4E, yielding 5.7 Moz of 4E metal.

CSA Global did not review the previous MRE and cannot comment as to its appropriateness and validity. Pegram (2014) did not state what would be considered an economic cut-off grade, in order to consider that part of the deposit that has a reasonable and realistic prospect for eventual economic extraction. The resultant 2014 MRE, reported at no cut-off grade, totals 114.92 Mt of Indicated and Inferred Mineral Resources, grading at 2.58 g/t 4E, containing 9.5 Moz of 4E metal. Pegram (2014) attributed the increase in tonnage and subsequent decrease in grades in comparison to the previous MRE due to the fact that the entire Merensky Reef (average 2.36 m thick) has been estimated, within a wireframe solid, whereas the previous MRE is based on a 1.10 m “mining cut”.

Based on review of the current information available, CSA Global considers the Hoepakrantz deposit MRE to be misclassified. In summary:

- **The QAQC program is adequate for establishing accuracy (with a lower confidence for gold assays), it does not sufficiently establish a lack of contamination or acceptable levels of precision.**
- **The application of OK estimation to the clearly bimodally distributed data in the Merensky Reef is inappropriate. Ideally, these domains should be modelled and estimated separately. However, it is acknowledged that the dataset is small and sub-domaining might not be possible. The reduced confidence in the data, should be reflected in a lower degree of confidence in the classification of the estimate.**

- **The modelled variograms for the Merensky Reef, Hangingwall and Footwall were poorly structured and not appropriate for use in the estimation. It would have been more appropriate to apply the Merensky Reef variogram to all three domains.**
- **The Hoepakrantz estimation parameters are sub-optimal.**
- **The reported Mineral Resource numbers for the Merensky Reef within the Hoepakrantz MRE, above zero cut-off by Mineral Resource classification category, could not be reproduced as reported.**
- **CSA Global believes the Indicated Mineral Resource category is not appropriate, as it does not reflect the low level of confidence in the estimation data and parameters.**

3.3 Infrastructure

The project is located near several villages and townships. The town of Burgersfort is 35 km (by road) to the east-southeast and Steelpoort is 43 km southeast. While a well-developed road network links the project to major regional cities such as Polokwane and Emalahleni, this network is heavily utilised and in very poor condition in some places. A railway line links nearby Steelpoort and Lydenburg to the national railway network.

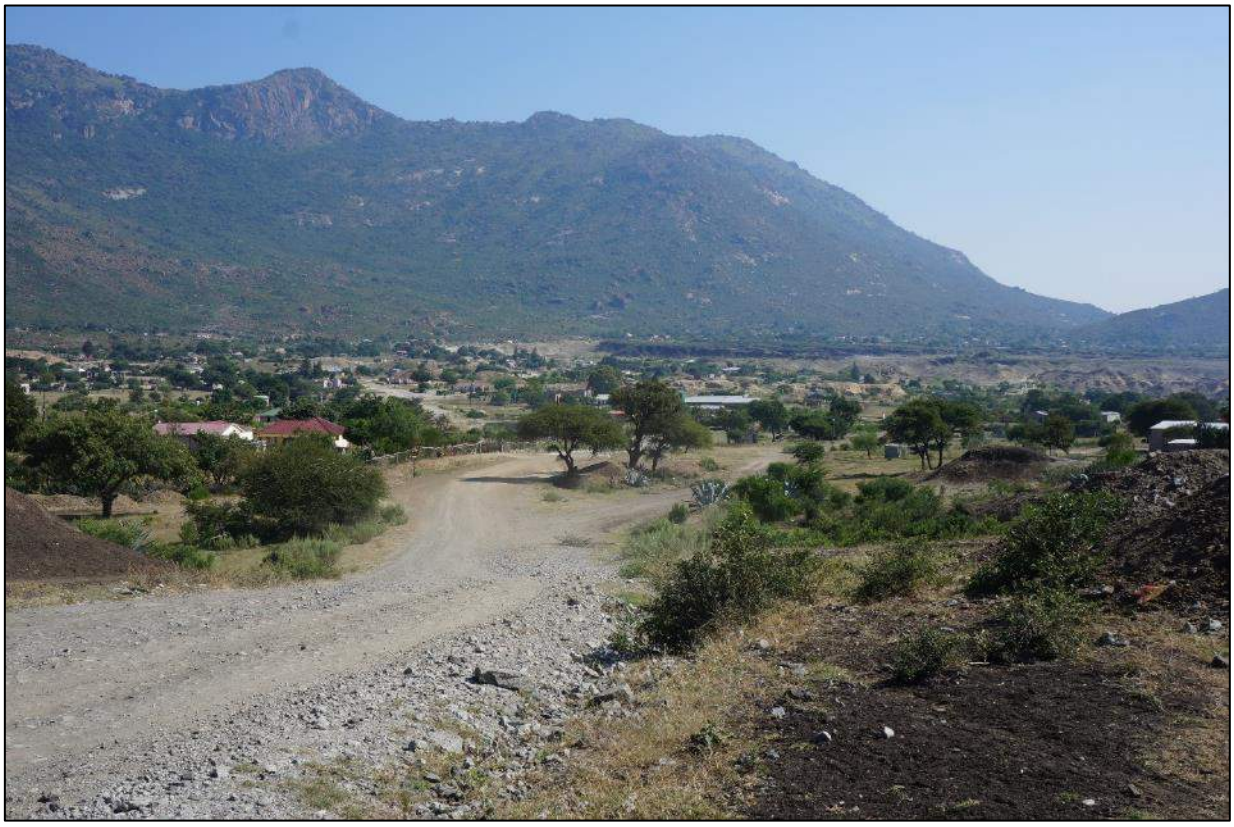


Figure 28: Dense village settlement in the northern part of the lease

The project relies on the Olifants River Water Resources Development Project (ORWRDP) for water. This water project will cover the largest portion of the eastern limb and the mine will be one of the many mines that will benefit from the development of the ORWRDP. At the time of this review, confirmation of the development status of ORWRDP could not be obtained. It is not clear if Phase 2C (the pipeline from the De Hoop Dam to the town of Steelpoort) is yet complete. Without this, development of the Garatau Project would be challenging.

The DRA definitive feasibility study (DFS) states: *"The valley floor is utilized for subsistence farming with the rural communities' dwellings on the borders of the site that cluster around the river location"*. This is misleading as the community appears to live across most of the surface area (as shown in Figure 28).

3.3.1 Engineering

The winder selection and hoisting strategy decided upon in the DRA study would be capable of supporting a production of 350,000 t of Merensky Reef ore per month. The main shaft would also be used as a downcast shaft for ventilation purposes with the three ventilation shafts as upcast shafts. The decline shaft will primarily be used for heavy material transport and as the second egress for the mine.

3.3.2 Water

It is envisaged that drillholes will be established to provide water during the sinking phase of the mine's development. Approximately 10,000 L of water per day is estimated for the earthworks during the construction phase.

3.4 Mining

3.4.1 Summary of Previous Work Done

The Garatau Project is a greenfield exploration project focused originally on the UG2 and Merensky reefs. The current 30-year life of mine (LOM) plan is focused exclusively on the Merensky Reef with an option to exploit the underlying UG2 Reef at a later stage.

Previous mine designs have considered a number of adjacent properties including De Kom and Hoepakrantz. The design assessed here is focused exclusively on the Garatouw property.

A preliminary feasibility study (PFS) was conducted in January 2009 by RSV. This was followed up by a definitive feasibility study (DFS) conducted by TWP in 2010. Due to high initial capital requirements and late revenues associated with the TWP DFS, Nkwe commissioned DRA to optimise the study. The intention was to reduce initial capital and generated earlier revenue. DRA conducted a number of trade-off studies and changed the project configuration accordingly. The DRA DFS was completed in 2012, with a subsequent update in 2017 after the financial model was reviewed.

TWP selected a hybrid mining method comprised of narrow stope, handheld mining coupled with trackless rock handling. In the TWP study, the average width of the reefs (both Merensky Reef and UG2), was estimated at 1.2 m. The Merensky Reef and UG2 reef horizons are separated by a series of norites, anorthosites and pyroxenites. The average middling between the two reefs in the original main shaft area is approximately 360 m. TWP had intended to access both reefs from one shaft system and extract both reefs simultaneously, processing them in a 300,000 t/month process plant. The shaft system was to be located in the centre of gravity of the orebody and was to comprise twin vertical shafts. The main shaft was to be 8.5 m in diameter and sunk to a depth of 1,114 m. The bratticed ventilation shaft would have an 8 m diameter and be sunk to a depth of 748 m. The main downcast shaft would transport men and materials and hoist UG2 ore. The ventilation shaft would have a downcast section with the rest of the shaft serving as an outcast ventilation return. Merensky Reef ore would be hoisted in the downcast section of the vent shaft.

The first major refinement of the DRA study arose through closer investigation of the vertical PGE grade distribution across the Merensky Reef: at Garatouw, the Merensky Reef is made up of an approximately 2.2 m thick package of feldspathic/poikilitic pyroxenite. After this it was decided that a wider mining cut, at a lower mining cost, might improve the feasibility of the project. This was due to the presence of a grade a spike in the bottom chromitite stringer of the Merensky Reef previously omitted from the mining cut. It was also felt that steady-state production tonnage of 300,000 t/month would be more easily

achieved using a larger 2.4 m mining cut. The currently selected mining height was illustrated during the site visit by the field geologist. This is shown in Figure 29.

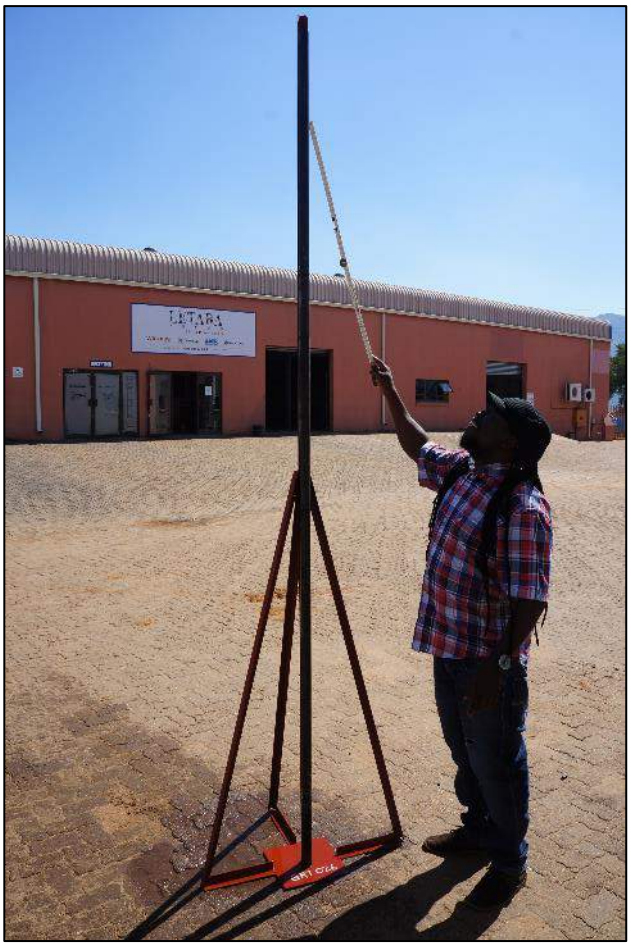


Figure 29: The planned 2.4 m mining height Illustrated using a drill core from the planned footwall to the chromite stringer

The trade-off study conducted to determine the optimal mining width indicated a comparatively higher net present value (NPV) for a 2.4 m mining cut as opposed to the original 1.1 m or 1.2 m mining cut[4]. This trade-off exercise was based on rough mining cost estimates and metal prices from 2011. The difference between these prices and the more recent spot prices is shown in Table 17 below.

Table 17: Original prices vs. recent spot prices for metals considered in the mining height trade-off

	US$/oz Pt	US$/oz Pd	US$/oz Rh	US$/oz Au	US$/t Ni	US$/t Cu
Original	1,700	780	2,000	1,520	24,000	9,500
Spot (May 2018)	888	966	2,175	1,293	14,580	6,838
Delta	-812	186	175	-227	-9,420	-2,662
%	**-47.8%**	**23.8%**	**8.8%**	**-14.9%**	**-39.3%**	**-28.0%**

[4] The DRA study makes reference to both mining heights.

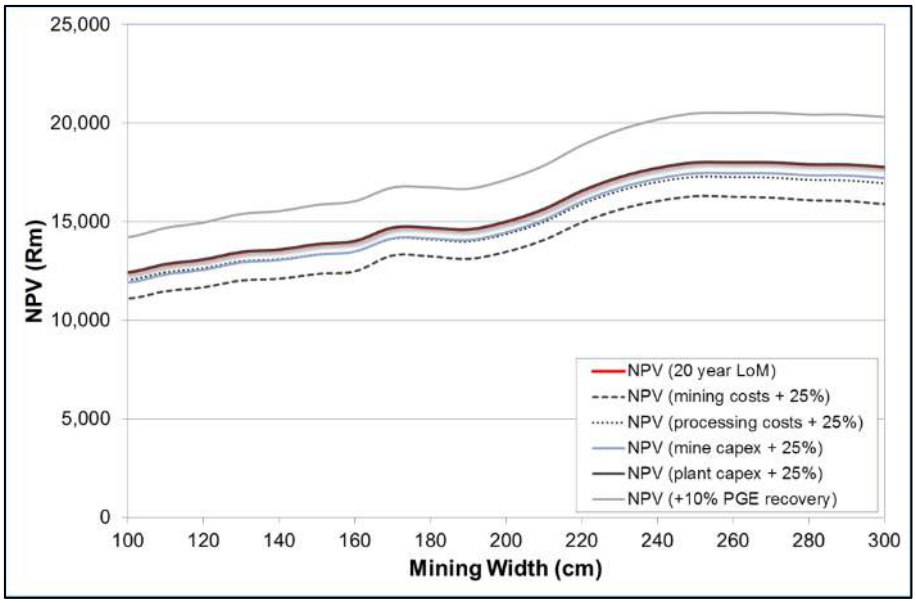


Figure 30: NPV calculation at various mining widths

Source: DRA, 2012

DRA concluded that a mechanised board and pillar mining method would be optimal. DRA argued that the method was suitable for the orebody geometry, orientation and mineralisation due to the following:

- A relatively flat dipping orebody
- The large lateral extent of the orebody
- An economic mining cut above 2 m and less than 7 m
- Competent rock mass conditions for hangingwall, footwall and orebody.

Pillars left after extraction would support and maintain the integrity of the hangingwall rock mass. Additional support, in the form of mechanical bolts installed on a systematic basis in the hangingwall would be utilised in the cut roadway to ensure immediate hangingwall beam stability between pillars. A five-board section was considered optimal for restricting the distance between strike conveyor belts. This was intended to reduce LHD mucking inefficiencies at the section strike belts tipping point.

The Merensky Reef width varied between 1.8 m and 2.5 m. The localised mining cut would be based on actual width of the Merensky Reef, with an additional 10 cm of planned over-break in Hangingwall and another 10 cm in the Footwall.

From the DRA study, it is not clear that the selected mining method will be sufficiently flexible to accommodate dykes, faults, potholes and other irregularities in the reef horizon. Should irregularities in the reef horizon be encountered, reduced panel life and complex, less efficient conveyor layouts can be expected. It would have been helpful to see what the proposed re-access to the reef horizon looks like, how much off-reef development is envisaged and what sort of impact this would have on the production schedule for that section.

The trade-off exercise indicated that the larger 2.4 m mining cut would be more viable than the previously proposed 1.1 m cut. It is not clear what factors were considered in making this determination: ramp up, mining cost, mining grade, mining recovery? Was the mining width modelled and results extracted from the resource model or was it a static calculation based on a representative section? It is important to note that this trade-off exercise was based on rough mining cost estimates and original assay data.

The Optimal Merensky Reef Mining Cut report by Schoeder (2011) provides additional detail. A problem is that the metal prices used are very different to today's spot prices, with some metals worth considerably

less (like Pt: -48%) and others increasing (Pd: +28%). With the exception of Rh, the other metals have all decreased. The mining height assessment should be redone taking these changes into account.

In the TWP study, the average resource grade for the Merensky Reef was estimated at 4.52 g/t (4E) based on a geological cut of 1.1 m width. In the DRA study, the application of a 2.5 g/t (PGE 3e + Au) cut-off grade resulted in the following resource estimate: the average Merensky Reef width is 2.22 m, containing 104.7 Mt grading at 3.22 g/t and yielding 10.8 Moz of 4E metal. The planned production rate remained at 300 kilo-tonnes per annum (kt/a) although at 75% of the original grade. The reasons for this decision have not been adequately discussed.

3.4.2 Ore Access

As opposed to the initial strategy, the main shaft position was moved from the centre of gravity of the resource to the up-dip extent of the property. This was to shorten the ramp-up period and reduce costs related to shaft infrastructure. Shaft bottom was to be accessed via an early access ramp (EAR), with a main shaft as well as the two ventilation shafts to be raised bored and subsequently slipped to the required diameter. The planned final diameter of the main shaft would be 8.5 m.

As a result of the requirement for a monthly run-of-mine (ROM) tonnage of 300,000 tonnes to the concentrator from Merensky Reef mining operations only, it was decided that a single central decline cluster on true dip would provide insufficient face availability. A triple decline system would therefore be employed to split the Merensky Reef orebody into three similarly sized blocks named Mpuru (north), Mateng (positioned between Mpuru and Swale) and Swale (south). These were to be accessed and mined simultaneously (see Figure 31).

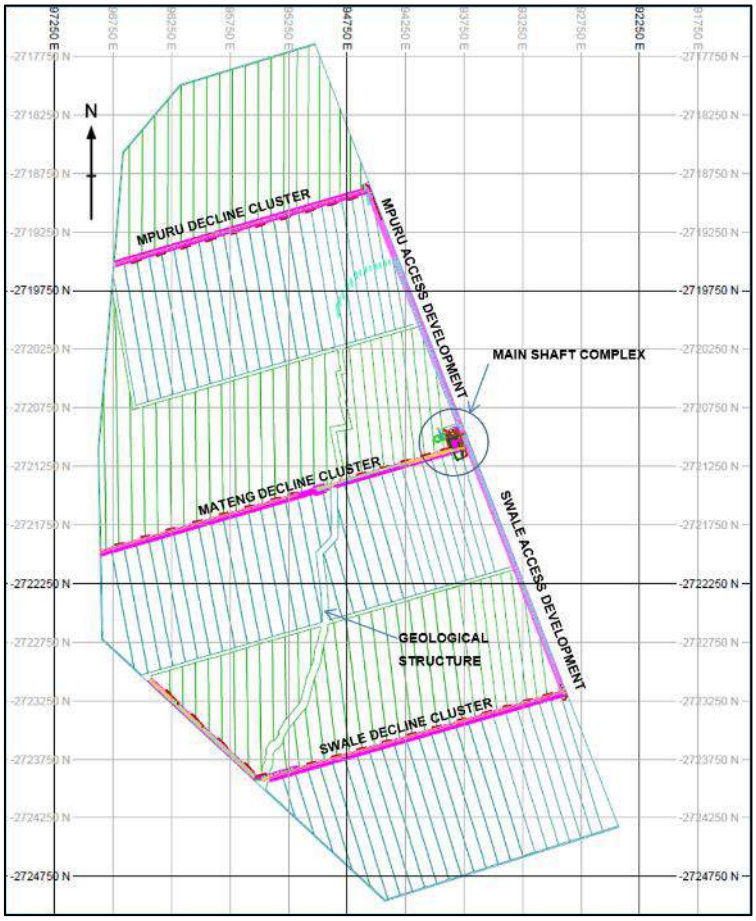


Figure 31: DRA's proposed mine layout

Source: DRA, 2012

At the reef intersection position of the EAR, the development of the north (Mpuru) and south (Swale) access clusters would be initiated concurrently with the extension of the ramp to the shaft bottom position. Due to the later requirement for access to the UG2 reef horizon, space was reserved for the planned UG2 main shaft as well as the vent shaft locations within the surface and underground layouts for the Merensky Reef project.

A trade-off exercise was conducted in 2011 to compare the following option actions access options from surface:

- A blind sunk vertical shaft
- A decline cluster from surface
- A single EAR from surface down to shaft bottom, followed by raise boring of vertical shaft and subsequent slapping to planned diameter.

On the basis of NPV, internal rate of return (IRR) and cash flow, the 5 m x 5 m EAR option was selected. DRA claimed that the access ramp also improved flexibility as it provided a second access/exit for mechanised equipment and an additional intake airway. Long electricity supply lead times combined with diesel generator costs weakened the case for the blind sunk vertical shaft. The EAR layout is shown in Figure 32 below.

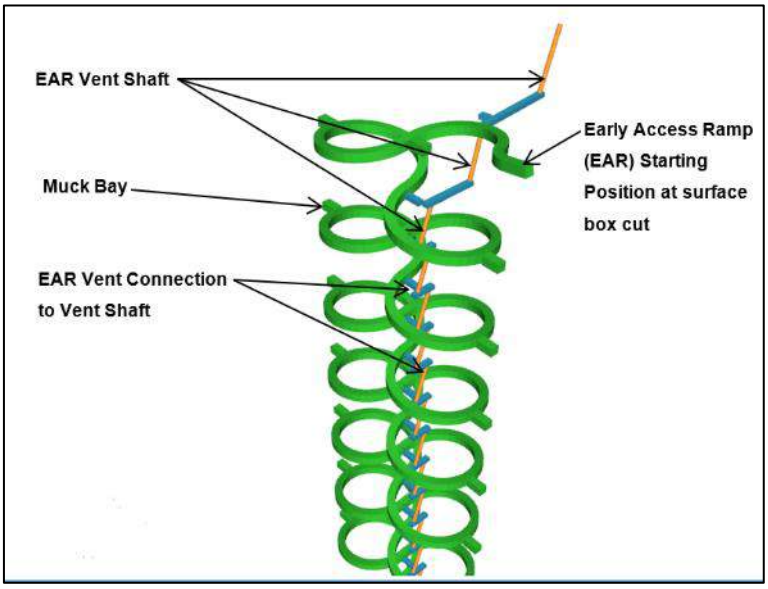


Figure 32: EAR layout

Source: DRA, 2012

Mpuru/Swale Access Development Cluster

As the EAR reached the Merensky Reef intersection, access was to be developed on reef to the starting positions of the Mpuru and Swale access development clusters along the up-dip extent of the property. Here the development of the Mpuru and Swale access drives would commence and continue along the up-dip extent of the property until the positions of the Mpuru and Swale dip decline clusters were reached. This would be approximately 2.2 km from the main shaft complex. Each access development cluster would consist of one on-reef man and material entry drive with a height of 2.5 m in width of 5 m. A similar man and material exit drive (with the same dimensions and also on-reef) would be developed. A strike conveyor drive the same dimensions and also on-reef would be developed.

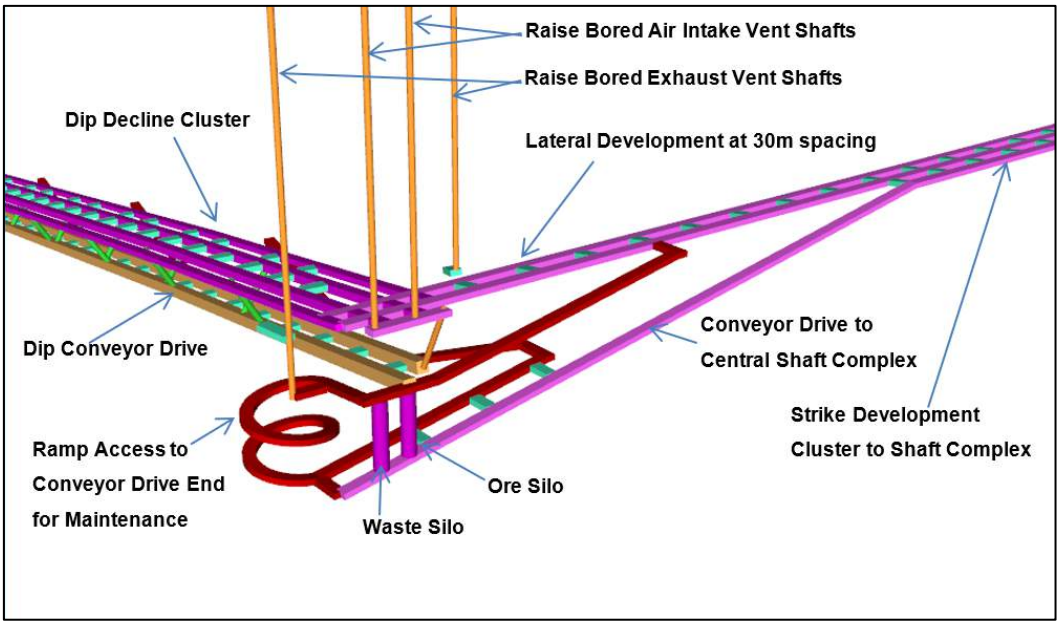


Figure 33: Arrangements at the start of the decline cluster (Mpuru and Swale)

Source: DRA, 2012

The Mateng decline cluster, positioned centrally, was to commence development from a position in the vicinity of the main shaft complex and so not requiring extensive strike drive access development (as is the case with the other two).

The dip decline conveyor drive was to be developed below the Merensky Reef horizon due to uncertain ground conditions in Merensky Reef, particularly undulations and minor faults. The drive was to provide easier conveyance of ore to surface due to its constant dip and use of ore passes connecting it to on-reef workings.

It is difficult to evaluate the different ore access strategies without the original trade-off study. Generally, it appears to be sub-optimal to develop a ramp to the bottom and then still sink shafts. For the shallow depths envisaged, a decline equipped with conveyors would seem logical. This would enable the shafts to be deferred to later in the LOM. The workshops could also be relocated to surface, reducing development times and costs. Once the lower sections of the orebody were brought into production, the workshops could be established underground.

The DRA study suggests designing the decline box-cut to accommodate cassettes. These should be stored on surface rather than in the box-cut to reduce excavation costs and time.

The project proponents should consider removing the ledging drive and conveyor service drive. This will result in less development and has the potential to production quicker. The current layout delays the start of mining the panels. The production schedule can be improved by pushing two development ends instead of the current four.

3.4.3 Production

The DRA study required production of 100,000 t/month per decline from sections producing 16,000 t/month; 6.25 strike sections were required. It was therefore decided to split production per decline between eight sections (12.5 kt/month per section). For three declines, a total of 24 strike sections were required to be in production simultaneously.

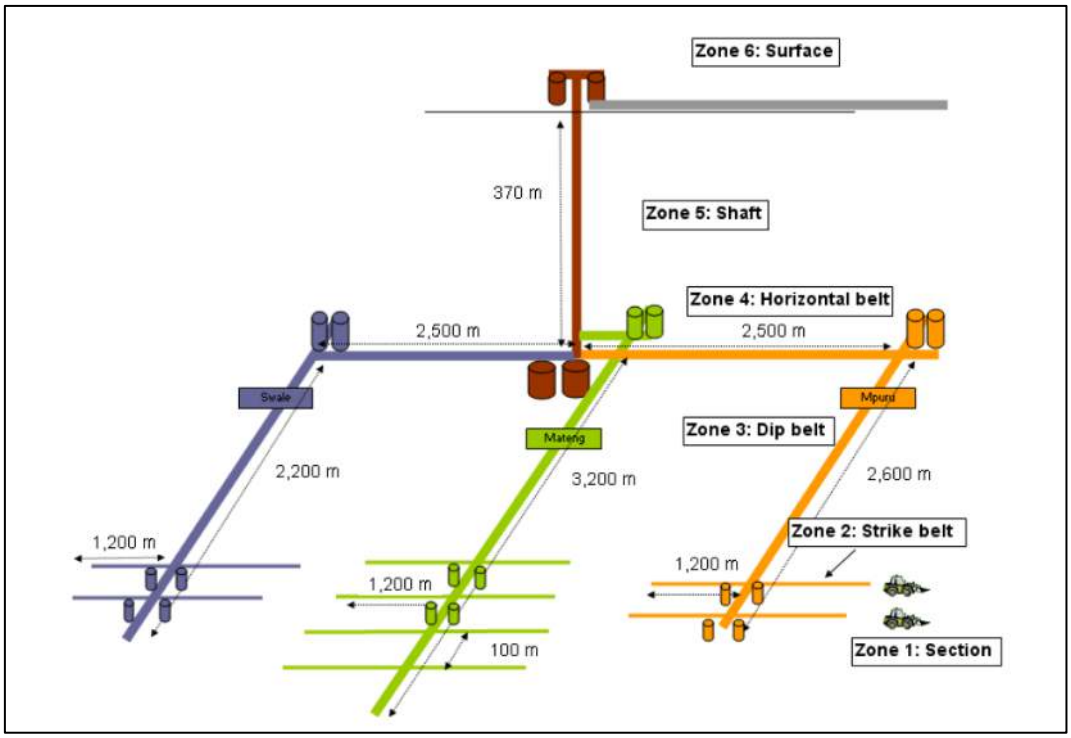


Figure 34: Ore conveyance zones

Source: DRA, 2012

Each section would utilise two LHDs to clean blasted ore into the in-stope tipping point of the dedicated strike section conveyor belt. Two production shift options were considered one based on two shifts of 8.75 hours per day and the other on three shifts. The DRA study did not pronounce on which was to be selected. Ore would be moved from the working place to the main dip decline cluster via the section strike conveyor belt. The belts would have a capacity of 250 tonnes per hour (t/hr) moving at 1.5 m/s. At the main dip decline ore would deposited into an ore pass feeding the central dip decline along with production from seven other production strike sections.

Production from eight production sections would be conveyed centrally from each dedicated strike ore pass to the single decline ore silo at its up-dip extent. This required that the operating capacity of the dip belts at Mpuru and Swale would range from 350 t/hr to 550 t/hr. The belts operate from 12 to 17 hours daily. Decline silos be required for approximately 1,600 t of reef and 500 t of waste. The planned installed capacity of 1,617 t for reef and 1,555 t for waste was considered sufficient. Ore streams from the Mpuru, Swale and Mateng blocks would be combined on the silo feed transfer belt, feeding the central ore silo.

From the silo bottom level, ore is to be conveyed via transfer conveyor to the main shaft ore conveyance skips. These convey ore to the surface. The capacity of the rock winder was given as 816 t/hr. Simulations showed that the winder would operate 18 hours/day and that the rock silo capacities would be 2,200 t for ore and 1,000 t for waste. The planned installed capacity was 3,110 t for ore (comprising two silos of 1,555 t each) and one silo of 1,555 t for waste. An interim stockpile was required to handle initial production volumes. The first phase of the metallurgical plant would start at the rate of 150,000 t as soon as sufficient ore was available to sustain the milling rate. As mine production built up past the hundred 150,000 t/month mark, ore would be stockpiled to provide tonnage to sustain a steady state milling rate of 300,000 t/month. The stockpile required for this period would approximate between 500,000 t and 700,000 t. This is shown graphically in Figure 35 below.

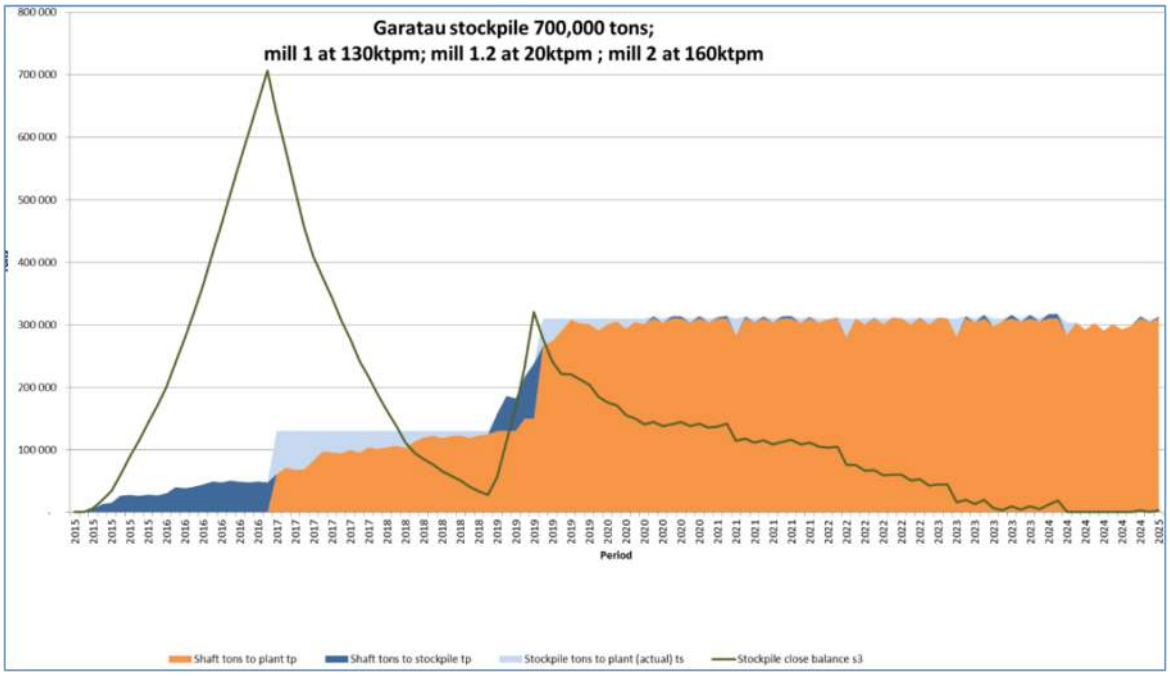


Figure 35: Ramp-up production tonnage optimisation

Source: DRA, 2012

The first ore tonnes would reach surface in month 22 of the underground production schedule. The dip decline cluster system in advance for the first 400 m would be 40 m/month. After this the advance rate would be throttled to 12 m/month to allow for development of the strike drives.

Production was based on a maximum day shift of 850 people underground.

Material Handling

Within the sections, rock will be loaded by LHDs, fitted with 3.0m³ buckets, onto grizzlies and through the vibrating feeders onto the strike conveyors. The strike conveyors will transport the material on strike to the dedicated half-level ore passes. From these, rock moves onto the decline conveyors located in the footwall. As the production face advances, these strike conveyor tail ends and grizzlies will be moved on strike to minimize the distance the LHDs need to tram. The strike conveyors will be extended in 100 m increments. Strike conveyors will be designed in a modular fashion to accommodate this. Correspondingly, the strike length of approximately 1,000 m dictates the length of the strike conveyor belts. From the discharge of the dedicated half-level ore passes, decline conveyors will transport the rock to the access drives (north and south) where the main decline conveyors will discharge the ore into the waste and reef ore passes.

The planned production rate of 300,000 t/month appears to have been carried over from the TWP/RSV studies without re-examination by DRA. It is not clear if this production rate remains optimal for the new project configuration. After a review of several cost-related spreadsheets[5], it remains unclear how the metal accounting traces the flow from the resource into the revenue stream.

Nkwe has indicated that the report "Garatau - DRAM-STU-F005_Mining_Report-Rev 0.3" provides the requested information. Unfortunately, that report merely states that the production rate of 300 kt/month is more readily achieved using a higher mining height. The question here is: why is 300 kt/month still optimal given the new mining layout? This has not been answered.

[5] Garatau Mining Initial capital Estimate – Rev K; Cashflow 8 May 2017; Mine Opex – Mar 2017; Production Profile V7 – Mar 2017

In the production profile, total tonnes mined is 88.5 Mt ore. The resource is reported to be 104.7 Mt, resulting in a mining recovery of 88%. This is higher than the maximum extraction of 83% at depth of 350 m determined by geotechnical considerations. Does this include the UG2?

Nkwe has indicated that the resource was discounted by 17–20% to allow for geological losses, resulting in in-situ tonnages of more than 104.7 Mt. It is still not clear how these discount factors were derived and where they are applied.

The total 4E metal content in the production schedule is 84% of the total Measured, Indicated and Inferred content. This implies that Inferred Resources are included in the production profile and the financial model.

Nkwe has confirmed that inferred resources are included. This is not generally appropriate for a DFS-level study. The impact on the mine plan and cash flow model if the inferred ground is removed should be determined, to ensure that the economic viability of the project is not critically dependent on resources that are currently classified in the Inferred category.

To meet production call, 6.25 sections are required; however, the DRA plan has provision for eight per decline, this results in 24 strike sections rather than 19–20. This may be overly conservative and building in too much redundancy.

There is no detail provided on explosives in the DRA report.

The study does explicitly present the mining sequence. Normally panels should start from the back and mine towards the shaft. It appears that the plan may be to open up panels as soon as there is access on strike. This could compromise long-term stability of the workings. It also makes it difficult to de-rate the factor of safety (FOS) of the panel pillars to increase extraction (a practice often applied to pillars at the end of panels allowing controlled failure).

"Silo capacities approximating 2,200 tonnes for reef and 1,000 tonnes for waste. The planned installed capacity is 3,110 tonnes reef (2 silos of 1,555 tonnes each) and one silo of 1,555 tonnes waste." How much waste is mined if most development is on reef. Given that waste and ore handling share the same belts, the plan may be overdesigning waste handling.

The production schedule results in a highly congested ramp up in the first years of the LOM. Taking into account that the completion of the EAR, station development, initial boring of the main shaft, commencement with Mpuru and Swale development and mining at Mateng all happens in 2022, the following tonnages have to be handled prior to shaft commissioning:

- 2022: 300 kt
- 2023: 540 kt
- 2024: 1,000 kt
- 2025: Shaft commissioning.

This means that all production must be hauled up the spiral ramp. This is possible but will be challenging and therefore a potential risk. In addition, the Mateng cluster goes into production in 2022, the same year the EAR reaches the bottom, three years before the shaft is commissioned.

The implementation schedule therefore seems very optimistic.

Several geotechnical questions flagged in the DRA mining study remain unanswered:

- Further investigation into the impact of the mountain range on rock stress is necessary. The selected pillar design may not be optimised to accommodate these stresses once mining progresses under the mountain.

- The following issues pertaining to the latest design changes may also need to be modelled for stability and support design purposes:
  - on-reef workshops
  - personnel carrier park areas
  - all equipment parking bays.

Nkwe has confirmed that this work has not be done. This increases the risk rating of the project.

Pillar dimensions do not seem to take the variable mining height into account. Mining height varies between 1.8 m and 2.5 m and while the lateral pillar dimension increase with depth, there is no apparent change in pillar dimension with mining height.

Ventilation: the DRA study does not seem to have been updated with new layout details.

In the Initial Capex File, "Stoping Rates Calc" sheet, reference is made to prices escalated from 2004 to 2011, Manpower rates are from 2012 and Sandvic quotes are from 2012. Consequently, the accuracy of the estimate is unclear due to uncertainty of engineering deliverables and the fact that the estimate is based outdated prices. The level of accuracy appears to less than ±15%.

There is a risk that this is a disconnected study as it was done by RSV, TWP and then DRA. This compounded as DRA's scope was to optimise the study and may therefore have transferred some of the previous study results.

3.5 Metallurgy

In 2010, MINTEK performed a scoping and variability study on drill core samples of each ore type provided by Nkwe. A large number of BQ drill cores covering the entire deposit and both ore types were drilled for geological work and these were made available to MINTEK for the purposes of the variability testing program. To augment the variability samples and to provide sample for a composite for the scoping testwork, four NQ drill cores within the area to be mined in the first two to three years of operation were drilled specifically for the testwork.

3.5.1 Variability Sample Tests

A total of 12 variability composite samples were prepared for testing. Head assays for the 12 variability samples are detailed in Table 18.

Table 18: Merensky variability composite head assays

Composite ID	Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	4E grade (g/t)	ASolCu (%)	ASolNi (%)
1	3.35	1.85	0.14	0.39	5.7	0.13	0.23
2	3.27	2.08	0.16	0.74	6.3	0.11	0.24
3	2.03	1.46	0.09	0.25	3.8	0.10	0.20
4	1.06	0.55	0.01	0.13	1.8	0.04	0.09
5	3.47	1.99	0.14	0.41	6.0	0.13	0.29
6	1.37	0.45	0.15	0.034	2.0	0.10	0.22
7	2.84	1.34	0.069	0.27	4.5	0.08	0.20
8	1.43	0.72	0.05	0.20	2.4	0.06	0.12
9	3.25	1.48	0.11	0.34	5.2	0.08	0.19
10	2.57	1.47	0.062	0.23	4.3	0.08	0.13
11	2.23	1.08	0.066	0.25	3.6	0.09	0.14
12	1.09	0.60	0.04	0.13	1.9	0.06	0.13
Average	**2.33**	**1.26**	**0.09**	**0.28**	**4.0**	**0.09**	**0.18**

Table 18 shows that there is a high degree of variability with head grades ranging from 1.8 g/t 4E to 6.3 g/t 4E.

Rougher and open cycle cleaner tests were carried out on the 12 variability composites to determine final concentrate grades and recoveries.

The open cycle cleaner grade-recovery performance is shown as Figure 36.

Figure 36 shows those variability composites for which a final 4E concentrate grade >100 g/t was obtained; the minimum saleable 4E concentrate grade to be sold to the smelter.

Figure 36 also shows the significant variability in metallurgical performance obtained during the open cycle cleaner float tests. The variation in metal performance can be attributable to a number of things including head grade, ore matrix and degree of mineral surface oxidation.

Out of the 12 variability composites, seven (1, 2, 5, 6, 7, 9 and 10) obtained final 4E concentrate grade >100 g/t; the remaining composites (3, 4, 8, 11 and 12) did not produce a saleable concentrate 4E grade.

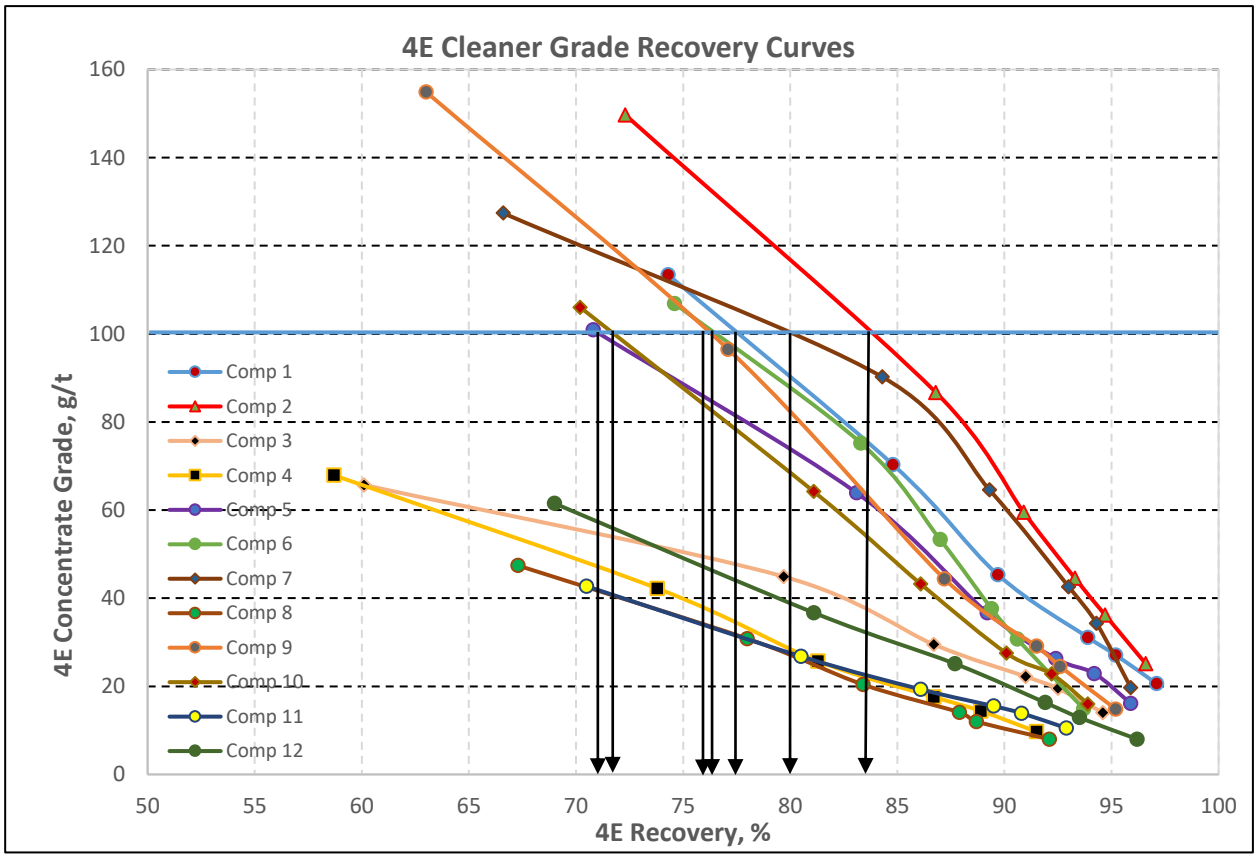


Figure 36: Open cycle cleaner grade-recovery curves – variability composites

In data supplied by Nkwe, the target 4E concentrate mass pull is 2.5% by weight.

Figure 37 and Figure 38 show plots of concentrate mass pull versus 4E recovery and 4E concentrate grade.

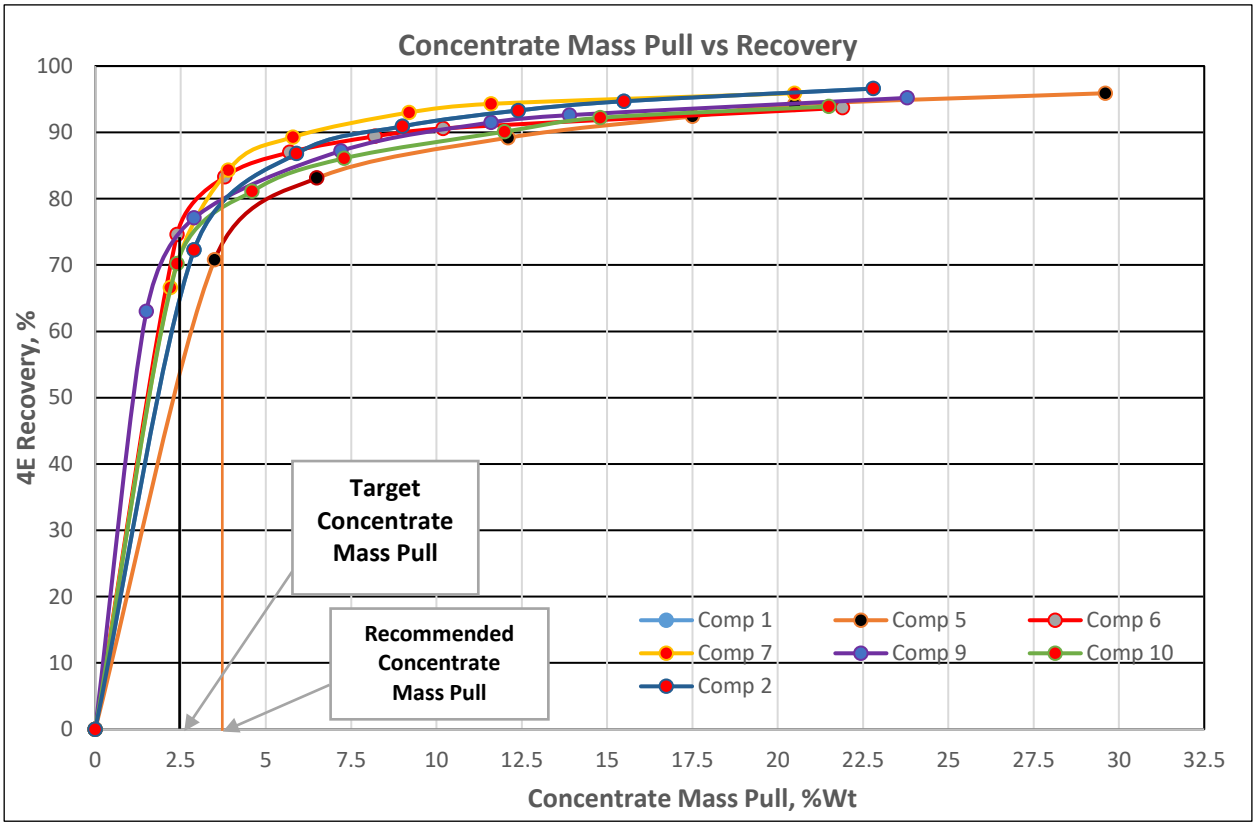


Figure 37: Concentrate mass pull vs. 4E recovery – variability composites

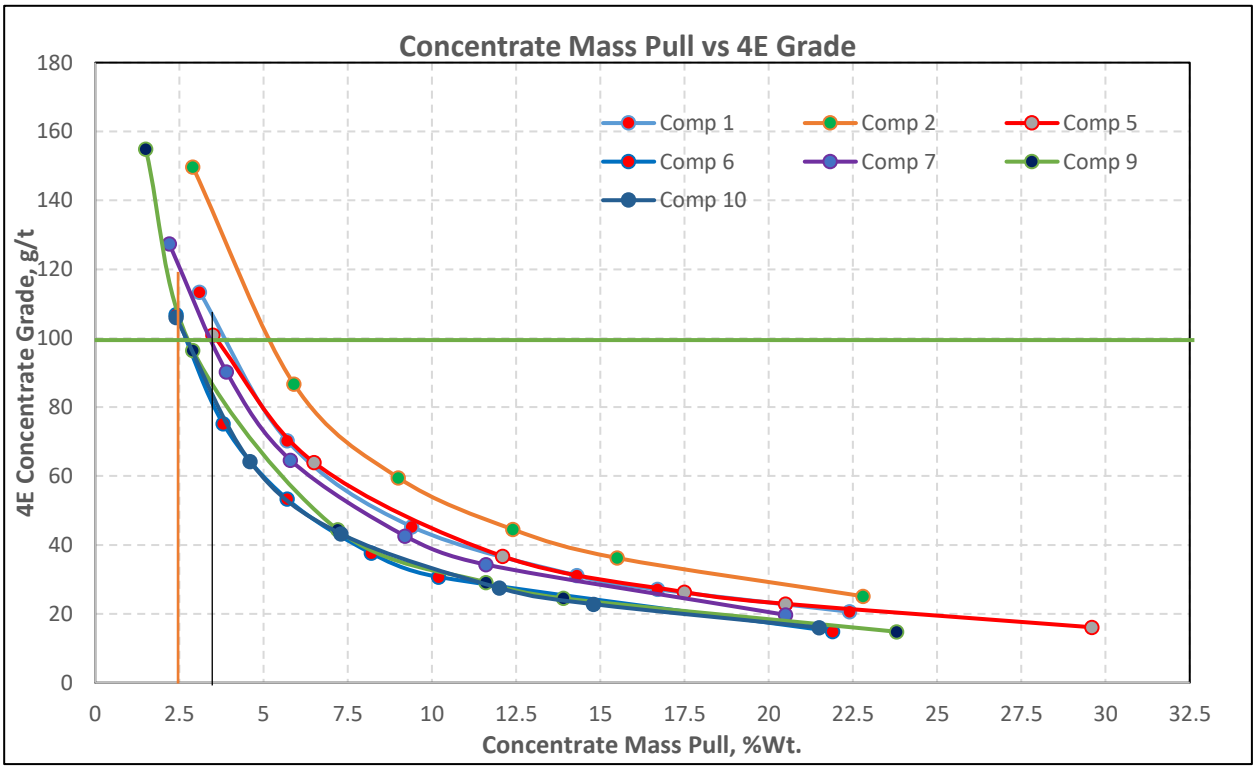


Figure 38: Concentrate mass pull vs. 4E final concentrate grade – variability composites

Figure 37 and Figure 38 show that a final concentrate mass pull of 2.5% by weight will not achieve the target 4E recovery; at a 4E concentrate grade of 100 g/t. CSA Global recommends a target final mass concentrate pull of 3.0–3.5% by weight, depending on the 4E feed grade.

Based upon Figure 36, the predicted 4E recoveries obtained at a final concentrate 4E grade of 100 g/t for each of the variability composites are shown in Table 19.

Table 19: 4E recovery predictions (at 4E 100 g/t)

Composite ID	4E grade (g/t)	4E recovery (%)
1	5.7	77
2	6.3	84
3	3.8	DNMG
4	1.8	DNMG
5	6.0	71
6	2.0	76.5
7	4.5	80
8	2.4	DNMG
9	5.2	76
10	4.3	72
11	3.6	DNMG
12	1.9	DNMG
Average	**4.0**	**76.6**

As discussed above, variability composites 3, 4, 8, 11 and 12 did achieve a final concentrate 4E grade of 100 g/t.

Figure 39 shows a plot of 4E head grade vs. 4E recovery to a final 4E concentrate grade of 100 g/t.

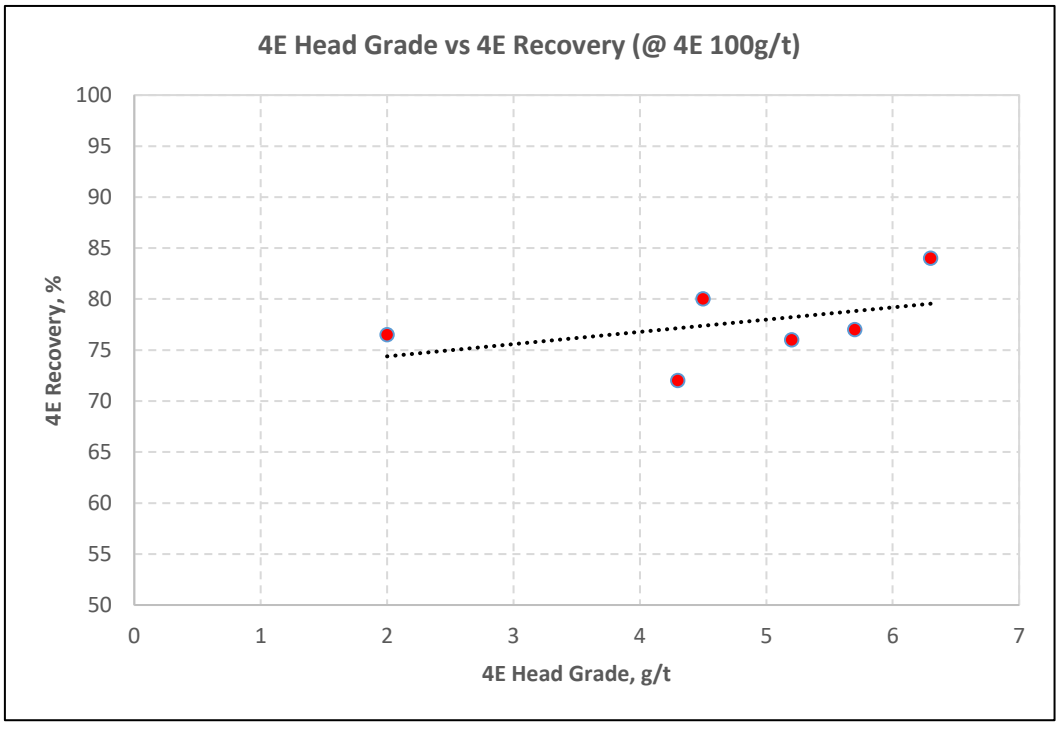


Figure 39: 4E head grade vs. 4E recovery – variability composites

From Figure 39 it can be seen that there is a correlation between the 4E head grade and 4E recovery (i.e. 4E recovery increases with increasing 4E head grade).

3.5.2 Metallurgical Composites Tests

A total of four metallurgical composite samples were prepared for testing. Head assays for the four metallurgical samples are detailed in Table 20.

Table 20: Merensky metallurgical composite head assays

Composite ID	Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	4E grade (g/t)	ASolCu (%)	ASolNi (%)
MGR001	2.86	1.75	0.14	0.25	5.00	0.12	0.23
MGR002	2.75	1.35	0.1	0.27	4.47	0.09	0.17
MGR003	1.52	0.92	0.07	0.15	2.66	0.06	0.11
MGR063	3.72	2.18	0.16	0.35	6.41	0.15	0.25
Average	**2.71**	**1.55**	**0.12**	**0.26**	**4.64**	**0.11**	**0.19**

Table 20 shows that there is some degree of variability with head grades ranging from 2.7 g/t 4E to 6.4 g/t 4E.

Rougher and open cycle cleaner tests were carried out on the four variability composites to determine final concentrate grades and recoveries. The open cycle cleaner grade-recovery performance is shown as Figure 40.

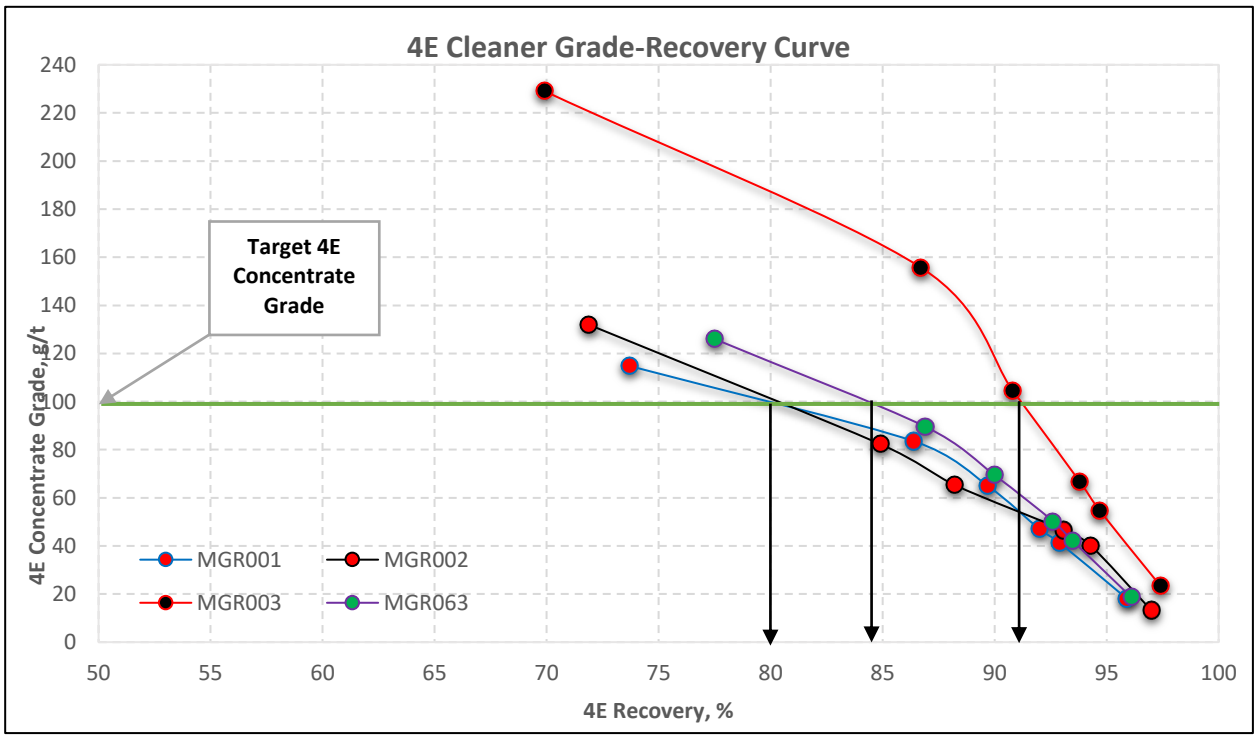


Figure 40: Open cycle cleaner grade-recovery curves – metallurgical composites

Figure 40 shows that a final 4E concentrate grade >100 g/t was obtained for all four metallurgical composites. Again, there appears to be reasonable variability in metallurgical performance obtained during the open cycle cleaner float tests. The variation in metal performance can be attributable to a number of things including head grade, ore matrix and degree of mineral surface oxidation.

Figure 41 and Figure 42 show plots of concentrate mass pull vs. 4E recovery and 4E concentrate grade.

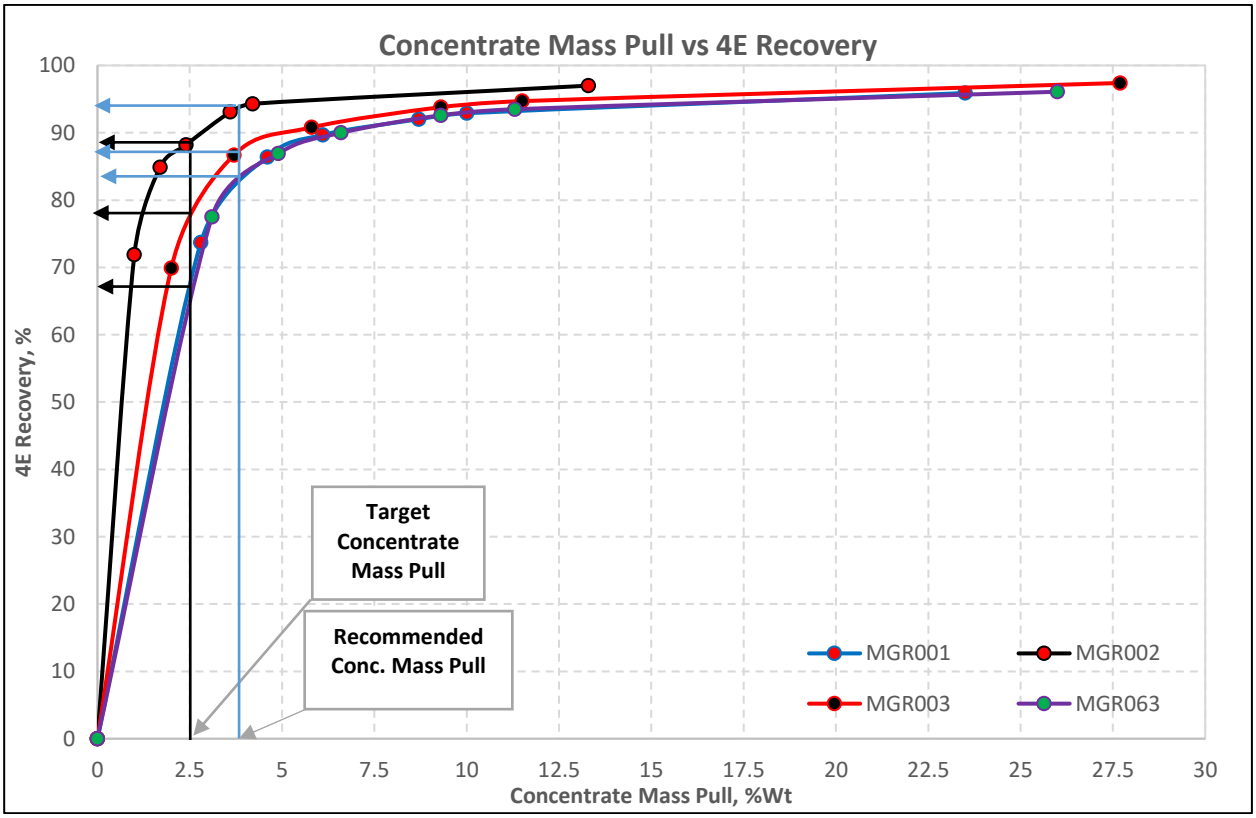


Figure 41: Concentrate mass pull vs. 4E recovery – metallurgical composites

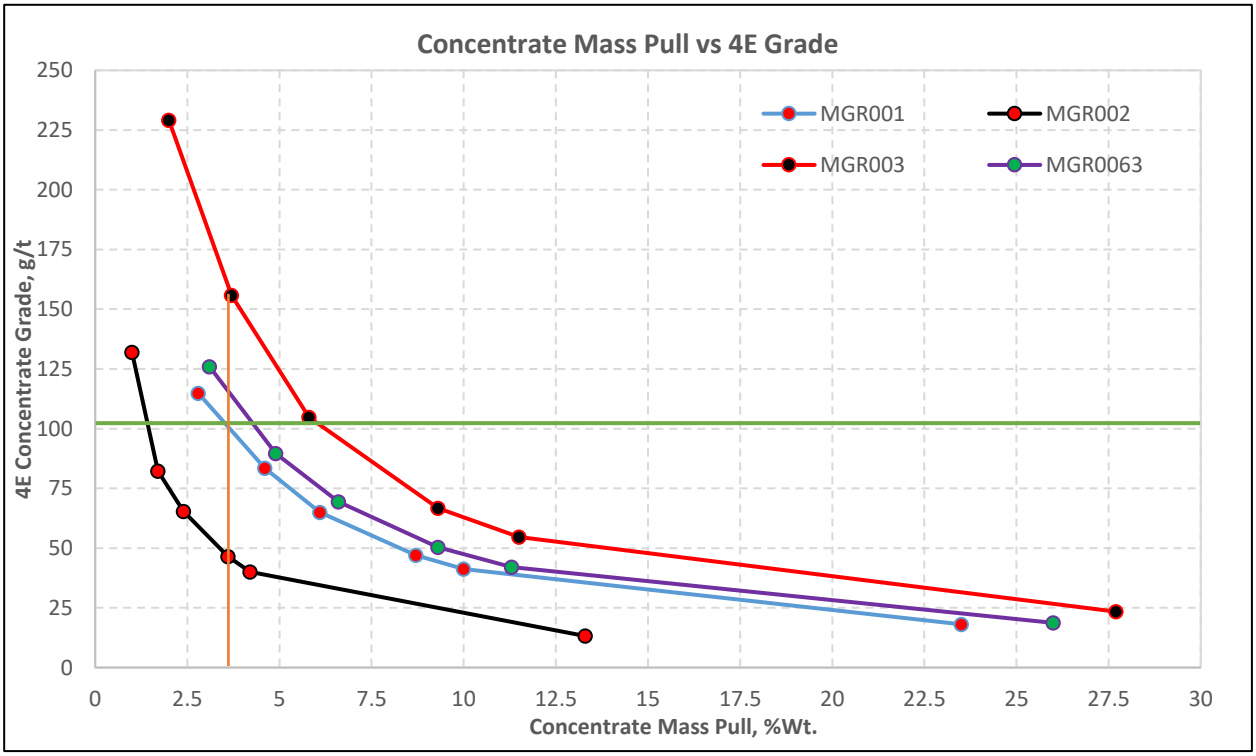


Figure 42: Concentrate mass pull vs. 4E final concentrate grade – metallurgical composites

Based upon Figure 40, the predicted 4E recoveries obtained at a final concentrate 4E grade of 100 g/t for each of the metallurgical composites are shown in Table 21.

Table 21: 4E recovery predictions (at 4E 100 g/t)

Composite ID	4E grade (g/t)	4E recovery (%)
MGR001	5.00	80
MGR002	4.47	80
MGR003	2.66	84
MGR063	6.41	91
Average	**4.64**	**83.8**

Figure 43 shows a plot of 4E head grade vs. 4E recovery to a final 4E concentrate grade of 100 g/t.

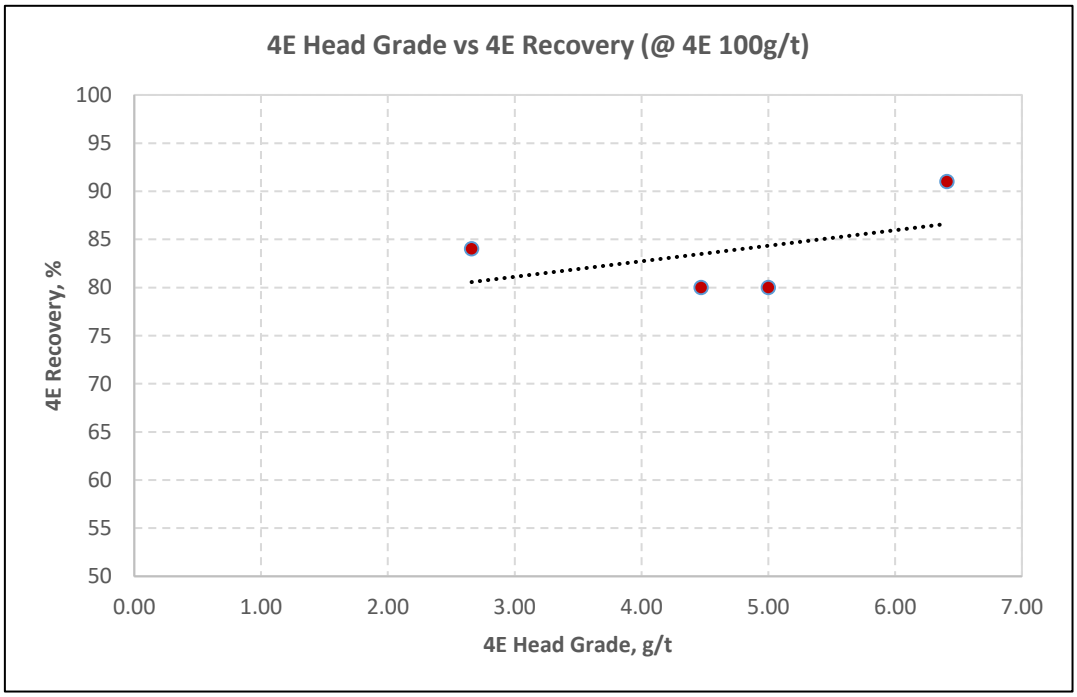


Figure 43: Head Grade vs 4E Recovery – Metallurgical Composites

Figure 43 shows the same correlation as that observed in Figure 39 for the variability composites (i.e. 4E recovery increases with increase in the 4E head grade). When comparing Figure 43 and Figure 39, there appears to be a shift in the recovery curve. At a constant 4E head grade, the 4E recoveries in Figure 43 are higher than those of 4E recoveries in Figure 39. One plausible cause of the reduced recoveries observed for the variability composites is due to surface oxidation. Surface oxidation on the mineral surfaces can be detrimental on flotation performance.

3.5.3 Master Composite Tests

A master composite was prepared from the four metallurgical composites for testing. Head assays for the master composite are detailed in Table 22.

Table 22: Merensky master composite head assays

Composite ID	Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	4E grade (g/t)	ASolCu (%)	ASolNi (%)
Master	2.81	1.76	0.14	0.30	5.00	0.14	0.22

Rougher and open cycle cleaner tests were carried out on the master composite to determine final concentrate grades and recoveries.

The open cycle cleaner grade-recovery performance is shown as Figure 44.

All the cleaner tests carried out by Mintek were conducted as open cycle cleaner tests. In open cycle cleaner tests, the cleaner tail is in open circuit and not recycled back into the main circuit.

To more accurately simulate the full-scale plant flowsheet, and to obtain final metallurgical parameters for financial modelling, CSA Global recommends carrying out locked cycle tests where the cleaner tails are recycled back to the main circuit. Typically, when a test is run in closed circuit, metal recovery increases at the expense of final concentrate grade, due to the recirculation of the cleaner tail streams.

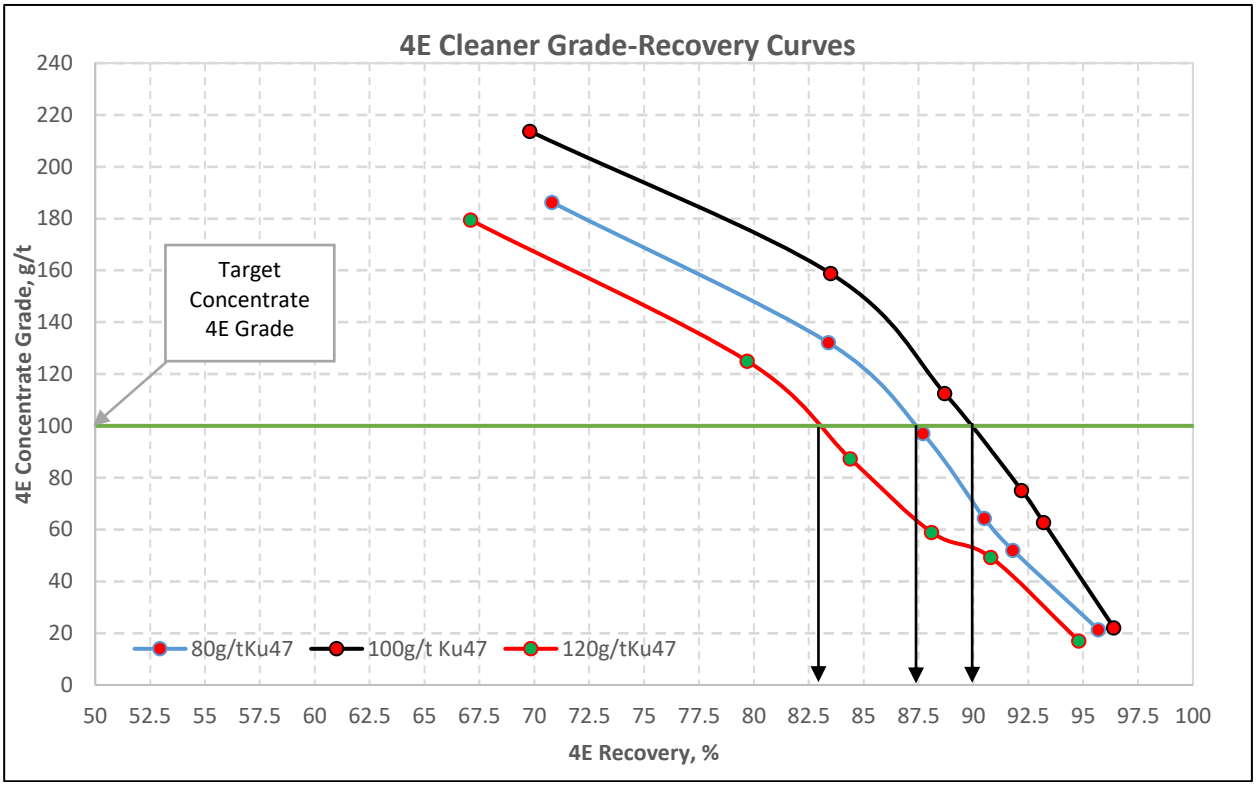


Figure 44: Open cycle cleaner grade-recovery curves – metallurgical composites

Figure 45 and Figure 46 show plots of concentrate mass pull vs. 4E recovery and 4E concentrate grade for the master composite.

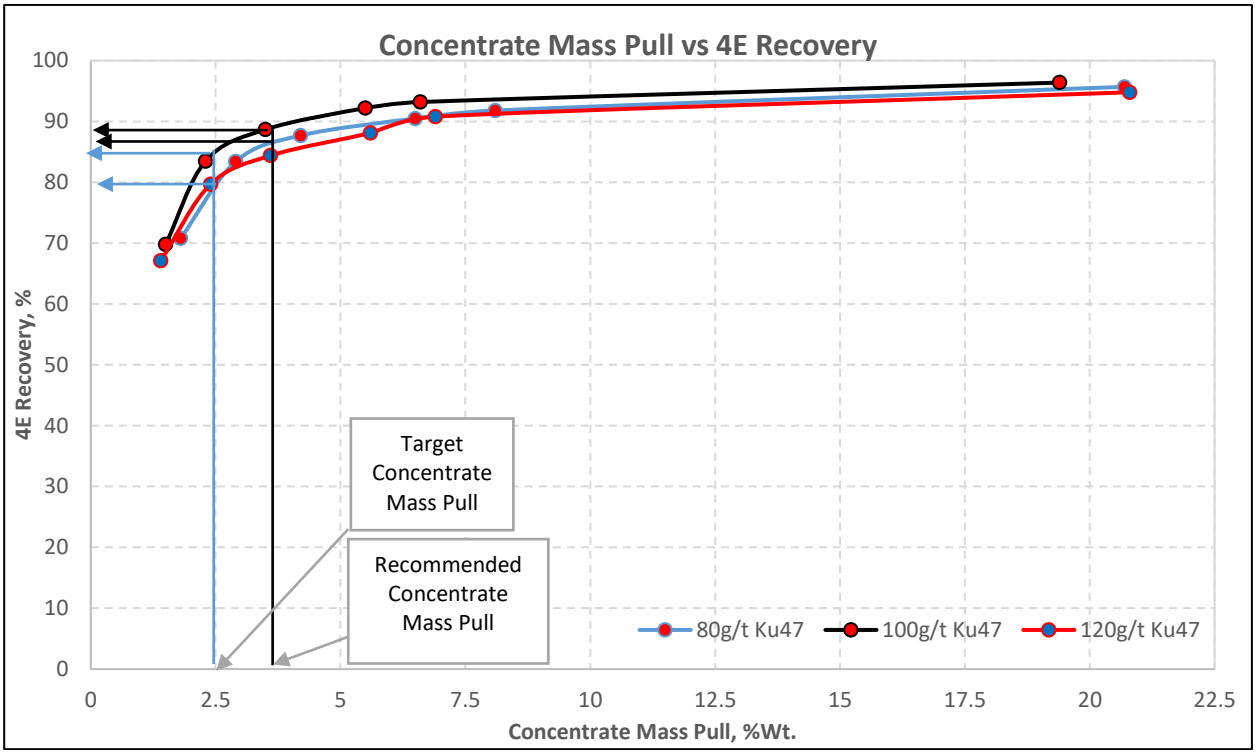


Figure 45: Concentrate mass pull vs. 4E recovery – master composite

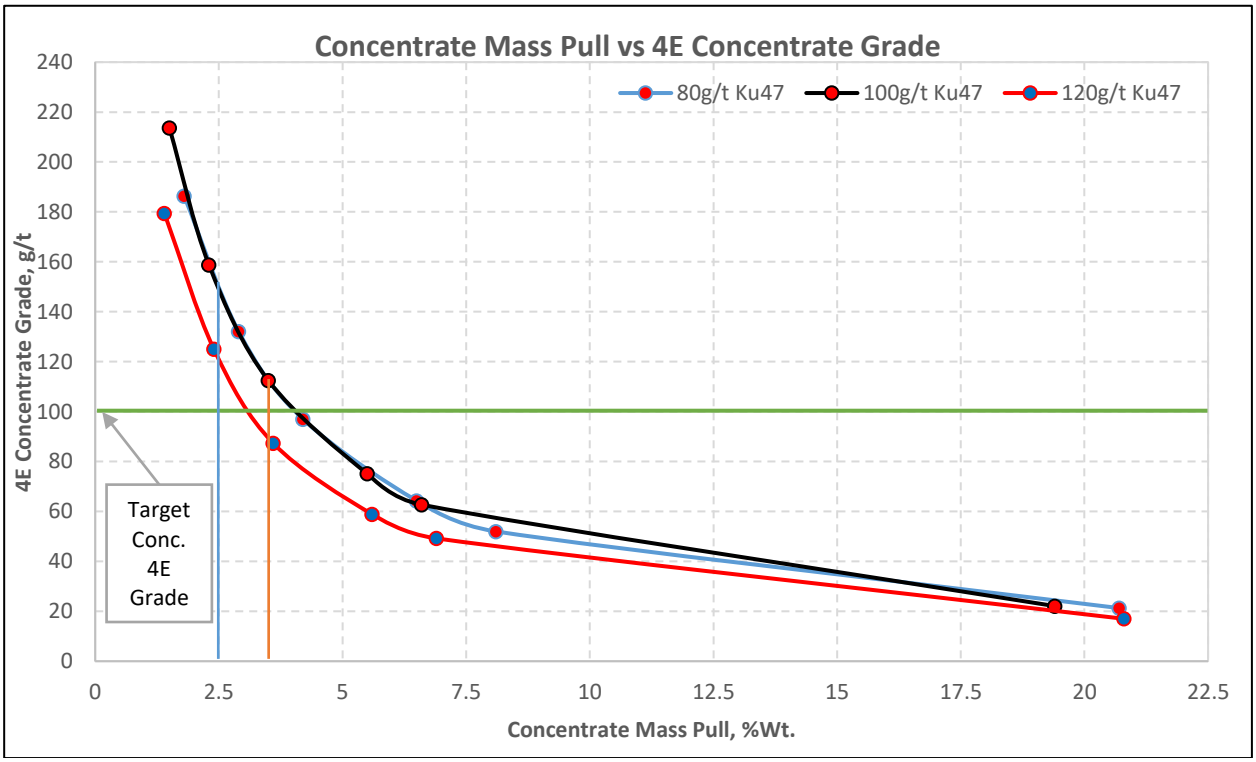


Figure 46: Concentrate mass pull vs. 4E concentrate grade – master composite

Based upon Figure 44, the predicted 4E recoveries obtained at a final concentrate 4E grade of 100 g/t for each of the open cycle cleaner tests carried out on the master composite are shown in Table 23.

Table 23: 4E recovery predictions (at 4E 100 g/t)

Composite ID	4E grade (d/t)	4E recovery (%)
80 g/t Ku47	5.00	83.0
100 g/t Ku47	5.00	87.5
120 g/t Ku47	5.00	90.0

The optimum final concentrate grade-recovery was obtained using a Ku47 depressant dosage of 120 g/t.

3.5.4 Metallurgical Assumptions

Metallurgical assumptions used in the Garatau financial model (Garatau Fin Model – 2017) are detailed in Table 24.

Table 24: Garatau financial model assumptions

Metal	Grade (g/t)	Recovery (%)				Concentrate grade (g/t)
		Year 1	Year 2	Year 3	Steady state	
Pt	1.95	80.0	85.0	88.5	88.7	61.0
Pd	0.94	77.0	81.8	85.0	85.1	38.9
Au	0.22	72.0	76.5	80.1	80.1	5.4
Rh	0.11	79.7	84.7	88.2	88.3	3.8
4E	3.22	78.6	83.5	86.9	87.0	109.1

Based on the direct correlation between head grade and 4E recovery (at a final 4E concentrate grade of 100 g/t) CSA Global recommends that the metallurgical recovery assumptions used in the financial model are downgraded by 3% points based upon a 4E metal head grade of 3.22 g/t.

The recommended assumptions to use in the Garatau financial model are shown in Table 25.

Table 25: Revised Garatau financial model inputs

Metal	Grade (g/t)	Recovery (%)				Concentrate grade (g/t)
		Year 1	Year 2	Year 3	Steady state	
Pt	1.95	77.0	82.0	85.5	85.7	55.9
Pd	0.94	74.0	78.8	82.0	82.1	35.7
Au	0.22	69.0	73.5	77.1	77.1	5.0
Rh	0.11	76.7	81.7	85.2	85.3	3.5
4E	3.22	75.6	80.5	83.9	84.0	100.0

The metallurgical performance for Garatau can be benchmarked against Ivanhoe Mines Platreef PGM project located in the Republic of South Africa Bushveld Complex. Table 26 shows the metallurgical performance achieved for the Platreef PGM project using an MF-2 flowsheet.

Table 26: Platreef metallurgical performance

Metal	Grade g/t	Recovery (%)	Concentrate grade (g/t)
Pt	1.76	87.2	37.5
Pd	1.87	86.9	39.8
Au	0.26	76.7	4.8
Rh	0.13	92.0	2.8
3PE+Au	4.02	86.5	84.9

Table 26 shows that an overall 4E recovery can be obtained at a 4E concentrate grade of 85 g/t; based on a 4E head grade of 4 g/t.

3.6 Processing

3.6.1 Phased Development Strategy

A phased approach to the construction of the Merensky Concentrator has been adopted by Garatau Platinum.

In phase 1 (initial stage), a 150 kt/month Merensky concentrator based on an MF-1 flowsheet would be constructed. However, in determining the size of the TSF, the final plant capacity must be considered. A phased approach for the construction of the TSF has also been considered.

The proposed MF-1 flowsheet would consist of a two-stage crushing circuit; a milling circuit in closed circuit with a cyclone cluster, followed by a simple flotation circuit consisting of 100 m^3 flotation tank cells, and necessary cleaner flotation circuit. The 150 kt/month concentrator would be able to treat 180 kt/month with no additional kit added, except that the throughput to the primary mill would be enhanced with a resultant coarsening of the grind and slight reduction of recovery. The expected loss in recovery was expected to be less than 5%.

The proposed Merensky concentrator is typical of circuits treating Merensky ore in the South African platinum industry.

A typical MF-1 flowsheet is shown in Figure 47.

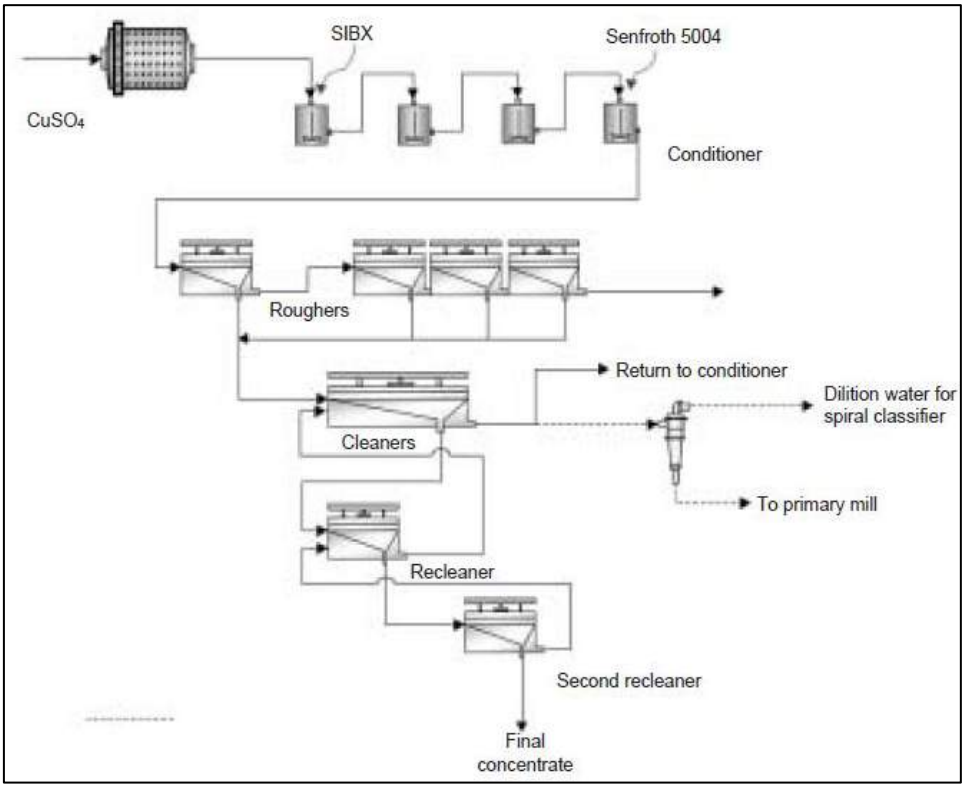


Figure 47: Typical MF-1 circuit

A modular approach would be adopted during design. This approach would provide the footprint for expansion to a Mill-Mill-Float (MMF) 300 kt/month circuit. Phase1 would be constructed in such a manner as to allow for addition of the required equipment for the expanded plant with minimum plant downtime and interference to operations.

In phase 2, a secondary mill would be installed in series with the primary mill. The flotation circuit would be expanded by addition of a rougher bank equivalent of the design for the first phase. The crushing circuit would also be upgraded with addition of the second secondary crusher and sizing screen.

Concentrate filtration would also be expanded for the increased tonnage. Expansion of the concentrator would be triggered by mining production, which was a better situation other than the plant being starved of feed to the mill.

The proposed MMF circuit is an intermediate flowsheet of the MF-2 circuit (see Figure 48). An MF-2 circuit configuration will be adopted for treating the UG2 ore type.

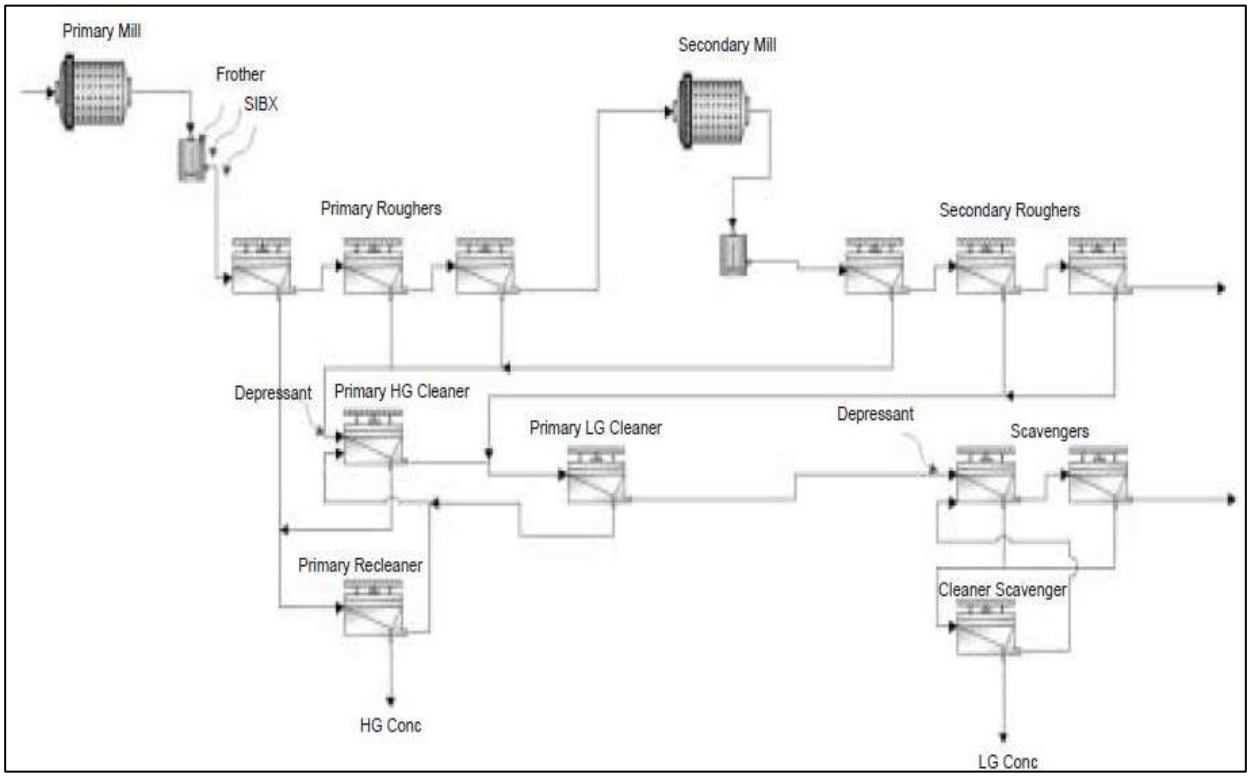


Figure 48: Typical MF-2 circuit

In principle, CSA Global considers the phased strategy to be sound; however, success in its implementation will depend on all forward planning and allowing for space in the phase 1 concentrator to enable the phase 2 expansion to be constructed without affecting production.

3.6.2 Process Design Basis

The concentrator circuit was based on a single MMF process stream to treat 300 kt/month Merensky ore. It was recommended to commence operations with a 150 kt/month Merensky concentrator in an MF-1 circuit configuration, expanding this to a 300 kt/month MMF circuit configuration as mining production neared steady state of 300 kt/month over a period of five years. A modular approach would be adopted to allow expansion from 150 kt/month to 300 kt/month with minimum interruption to production. The design of the initial MF-1 concentrator would allow for the operation to run at maximum throughput of 180 kt/month. although at slightly reduced recoveries. This is the preferred option as it would result in minimal capital outlay upfront and used generated revenue for expansion.

A standalone 150 kt/month UG2 concentrator would be constructed when the mining of UG2 commenced.

CSA Global can confirm that the recovery profile adopted in the metallurgical assumptions is satisfactory and perhaps might be conservative given the installed mill power for phase 1.

4 Financials

4.1 Operating Costs

4.1.1 General and Administration

There are no references to environmental operating costs (other than those associated with ventilation). Similarly, no reference could be found to operating costs associated with rehabilitation or mine closure. Social/community and costs were similarly absent.

The Garatau cash flow models include "On-mine Administration" and "Off-mine Administration" costs as separate line items that are calculated on a ZAR/t basis. CSA Global has not been provided with information on what exactly is included under these headings, and what is excluded, and therefore cannot comment in detail.

CSA Global understands that these modelled costs are based on averages from "nearby similar mines". It is CSA Global's view that these costs are common for larger companies and operations but would expect an operation of this size to have lower costs. It is therefore CSA Global's opinion that these costs are within a reasonable range but appear to be on the higher end for the size of the project.

4.1.2 Mining

Stoping and development costs (opex), based on the line items in Table 27 below, are explicitly set out in Table 28 and Table 29 respectively.

Table 27: Mining opex items

General consumables
PPE
Drill Steel
Explosives
Hand Tools
Equipment Maintenance
Equipment Fuel Cost
Equipment Lubricants
Primary Support
Temporary Support
Temporary Electrical
Temporary Piping
Ventilation
Miscellaneous Consumables
Welding/Cutting Consumables
Hoses and Fittings
Secondary Support (Wetcrete)
Cover Drilling
Miscellaneous Non-Consumables

Table 28: Stoping costs

Stoping	**ZAR**
Total Excavation Cost per tonne	215.69
Total Excavation Cost per m^3	711.79
Total Excavation Cost per m	18,648.91

Table 29: Development costs

Development	ZAR
Total Excavation Cost per tonne	249.39
Total Excavation Cost per m³	822.98
Total Excavation Cost per m	14 402.13

The contributions to the stoping and development units costs (ZAR/t) are shown in Figure 49 and Figure 50 below. Labour costs are not included in the unit rate costs presented below as they are provided in the HR cost sheet.

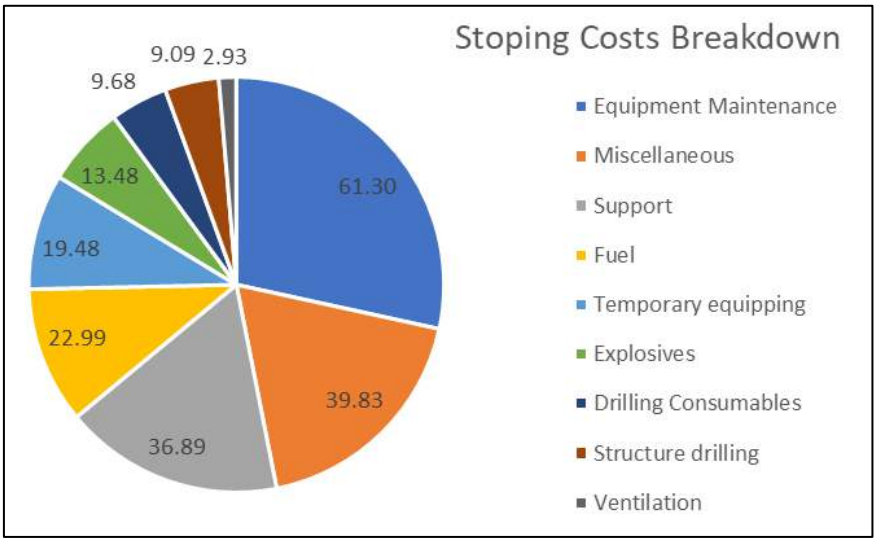


Figure 49: Contribution to stoping rates (ZAR/t)

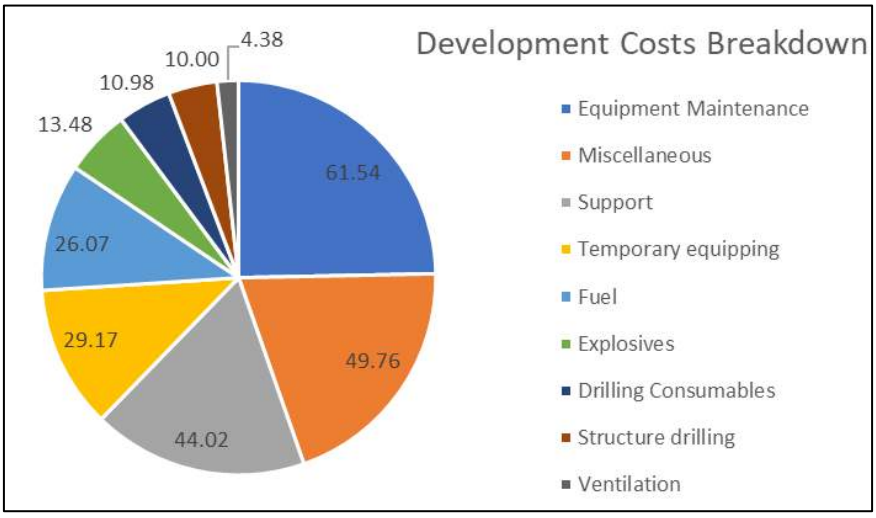


Figure 50: Contribution to development rates (ZAR/t)

The total underground staffing costs is indicated in Figure 51.

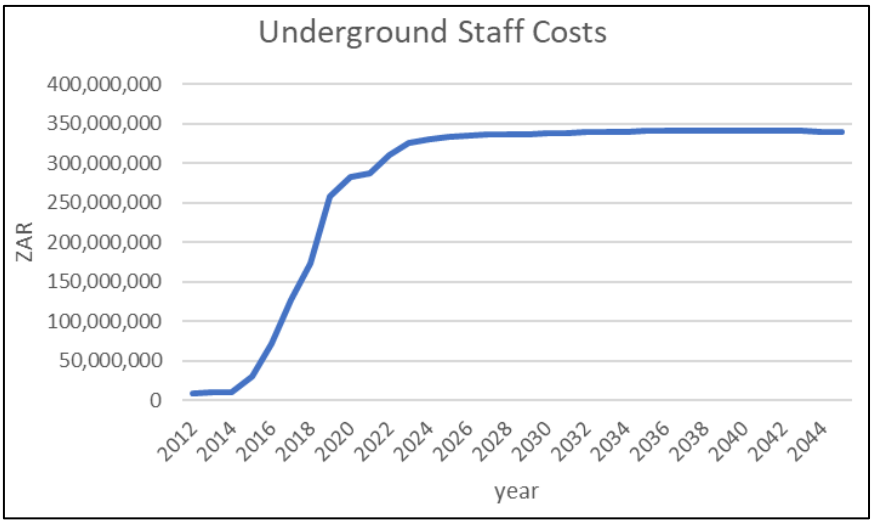


Figure 51: Total underground staffing costs

By 2025, the underground mine is at full production, so the annual underground labour cost of ZAR 335 million results in a unit labour cost of ZAR 92.75/t.

Due to the passage of time since the calculation of these costs (March 2017) and various technical changes and associated uncertainties (see Section 3.6), the mining operational cost estimate should be considered of prefeasibility level (i.e. ±25%).

4.1.3 Process Plant

The process plant operating costs for phase 1 and phase 2 are summarised in Table 30 and a breakdown is shown in Table 31.

Table 30: Process operating costs – summary

Description	150 kt/month		180 kt/month		300 kt/month	
	ZAR	US$	ZAR	US$	ZAR	US$
Labour Costs	8,439,833	56.27	8,439,833	56.27	8,439,833	56.27
Grinding Media	2,129,610	14.20	2,555,532	17.04	8,038,371	53.59
Reagents	1,747,464	11.65	2,096,957	13.98	3,494,929	23.30
Utilities	4,934,489	32.90	5,921,387	39.48	10,474,511	69.83
Spare Parts	4,668,960	31.13	5,602,752	37.35	9,337,920	62.25
Laboratory and Assays	47,265	0.32	56,718	0.38	94,530	0.63
Concentrate Transport	865,155	5.77	1,038,186	6.92	1,730,310	11.54
Fixed Costs (per month)	8,439,833	56.27	8,439,833	56.27	8,439,833	56.27
Variable Costs (per month)	14,392,943	95.95	17,271,532	115.14	33,170,570	221.14
Total Costs (per month)	22,832,777	152.22	25,711,365	171.41	41,610,404	277.40
Total Costs (per t ore)	152.22	12.18	142.84	11.43	138.70	11.10

The fixed costs were obtained from Minopex for operation of the plant and Knight Piesold for operation of the TSF. No detail was provided to support these costs and CSA Global can accordingly not comment on the fixed cost component.

Grinding media and reagent costs were derived from first principles and are considered to be reasonable estimates.

The derivation of power and water costs is not transparent as they were reportedly based on similar operations in the region.

Similarly, the cost of maintenance spares is not transparent as they were reportedly estimated by Minopex. No detail was provided to support these cost estimates.

The breakdown of the process operating costs by area for the different process phases are shown as Figure 52 and Figure 53.

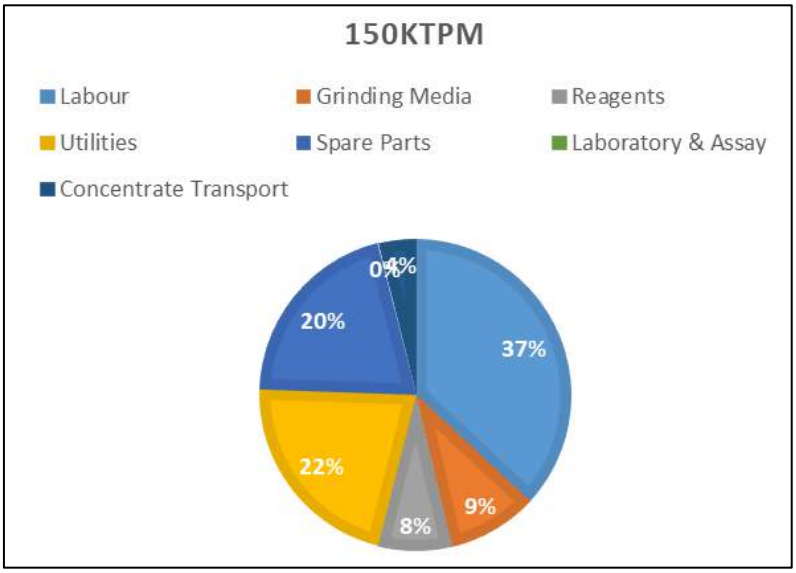


Figure 52: 150 kt/month process opex cost breakdown

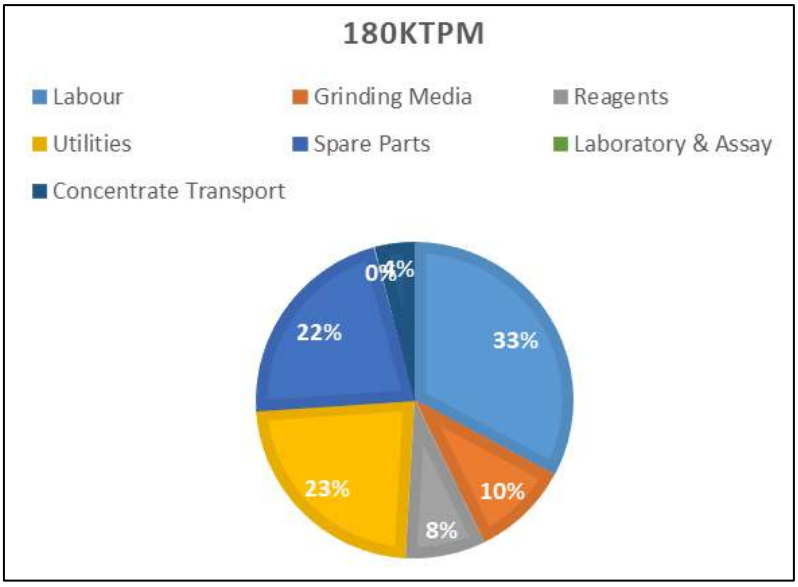


Figure 53: 180 kt/month process opex cost breakdown

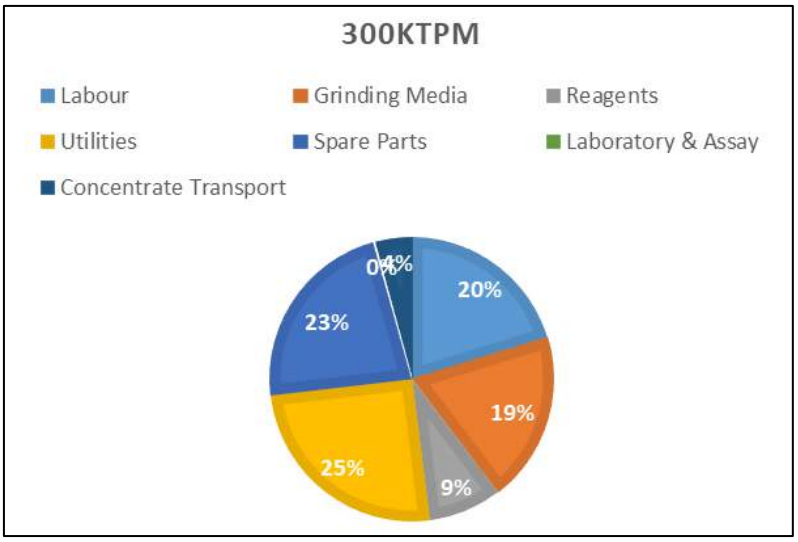


Figure 54: 300 kt/month process opex cost breakdown

Table 31: Process operating costs breakdown

Description		Phase 1						Phase 2		
Plant capacity	t/month	150,000			180,000			300,000		
	Mt/a	1.8		% Distn.	2.2		% Distn.	3.6		% Distn.
Fixed Costs	Labour	ZAR 8,439,833	$56.3	37.0%	ZAR 8,439,833	$56.3	32.8%	ZAR 8,439,833	$56.3	20.3%
Variable Cost	Grinding Media	ZAR 2,129,610	$14.2	9.3%	ZAR 2,555,532	$17.0	9.9%	ZAR 8,038,371	$53.6	19.3%
	Reagents	ZAR 1,747,464	$11.6	7.7%	ZAR 2,096,957	$14.0	8.2%	ZAR 3,494,929	$23.3	8.4%
	Utilities	ZAR 4,934,489	$32.9	21.6%	ZAR 5,921,387	$39.5	23.0%	ZAR 10,474,511	$69.8	25.2%
	Spare Parts	ZAR 4,668,960	$31.1	20.4%	ZAR 5,602,752	$37.4	21.8%	ZAR 9,337,920	$62.3	22.4%
	Laboratory and Assay	ZAR 47,265	$0.3	0.2%	ZAR 56,718	$0.4	0.2%	ZAR 94,530	$0.6	0.2%
	Concentrate Transport	ZAR 865,155	$5.8	3.8%	ZAR 1,038,186	$6.9	4.0%	ZAR 1,730,310	$11.5	4.2%
Fixed Operating Costs (ZAR/month)		ZAR 8,439,833	$56.3		ZAR 8,439,833	$56.3		ZAR 8,439,833	$56.3	
Variable Operating Costs (ZAR/month)		ZAR 14,392,943	$96.0		ZAR 17,271,532	$115.1		ZAR 33,170,570	$221.1	
Total (ZAR/month)		ZAR 22,832,777	$152.2	100.0%	ZAR 25,711,365	$171.4	100.0%	ZAR 41,610,404	$277.4	100.0%
Variable Operating Costs (ZAR/t)		ZAR 95.95	$7.7		ZAR 95.95	$7.7		ZAR 110.57	$8.8	
Total (ZAR/t)		ZAR 152.22	$12.2		ZAR 142.84	$11.4		ZAR 138.70	$11.1	

Exchange rate: ZAR:US$: 0.08

By way of benchmarking, CSA Global compared the operating cost estimate of the Garatau concentrator and associated infrastructure with the Platreef PGM Project shown in Table 32.

Table 32: Platreef process operating cost summary

Description	Phase 1A – 2 Mt/a (US$M)	Phase 1B – 4 Mt/a (US$M)
Labour Cost	4.4	5.6
Stores and Maintenance	2.4	3.4
Stockpile Reclamation	0.8	0.3
Utilities	10.1	17.3
Consumables	6.4	12.8
Total Annual Cost	24.1	39.4
Total Unit Cost (US$/t)	12.0	9.8
Laboratory	1.3	0.8
Concentrate Transport	1.3	1.5
Overall Total Unit Cost (US$/t)	14.6	12.1

For the Platreef PGM Project, an MF-2 circuit has been designed for. The MF-2 circuit entails two-stage grinding and separate flotation of the rougher feed and rougher tail products, thus it would be expected that the process operating costs to be higher for the Platreef PGM Project, compared to those of the Garatau Project.

CSA Global deems the unit operating cost of the Garatau concentrator and associated infrastructure to be in line with other recently estimated PGM projects in South Africa.

4.2 Capital Costs

4.2.1 Mining

The most significant components of the mining capital expenditure are capital development, mechanicals and preliminary and general costs as shown below in Figure 55. These have been built from the schedule and detail is provided in initial capital estimate sheet. Details are provided for raise-boring as are quotes for mining equipment from Sandvic, Dymot winding gear and utility vehicles from Fermel. These quotes appear to have been sourced in 2012.

The capital development cost per metre is comparable to the operations development cost (ZAR 13,154 vs. ZAR 14,402).

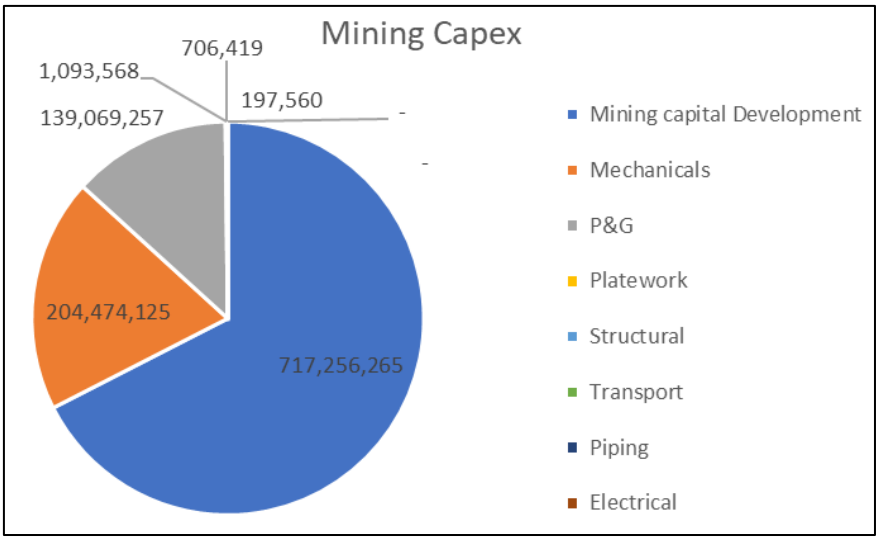


Figure 55: Mining capital costs

Due to the uncertain amount of since the calculation of these costs (the spreadsheet is undated) and various technical changes and associated uncertainties (see Section 3.6), the mining capital cost estimate should be considered of prefeasibility level (i.e. ±25%).

4.2.2 Process Plant

The concentrator capex costs (phase 1 and phase 2) are summarised in Table 33.

Table 33: Garatau concentrator capex cost summary

Area	ZAR M	US$M
Ore Receival	85.5	6.8
Primary and Secondary Crushing	85.3	6.8
Screening	60.5	4.8
Fine Ore Bin	83.5	6.7
Dust Suppression	2.9	0.2
Primary Milling and Classification	168.7	13.5
Secondary Milling and Classification	85.0	6.8
Flotation (rougher and cleaning)	195.4	15.6
Tailings Thickening and Disposal	62.9	5.0
Concentrate Handling and Filtration	81.0	6.5
Reagents	37.0	3.0
Piping	120.0	9.6
Power	235.5	18.8
General (including plant fencing and parking)	7.4	0.6
Tailings (return water, stormwater dams)	221.9	17.8
Tailings and Return Water Pipelines	54.3	4.3
Earthworks	83.9	6.7
Services (potable, raw water, sewage, fire)	70.4	5.6
Infrastructure (buildings and electrical)	91.6	7.3
E&I Buildings	31.6	2.5
P&Gs	62.8	5.0
Total	**1,927.2**	**154.2**

CSA Global considers the concentrator capex cost estimate to be reasonable for the combined phases.

The overall plant capex costs are summarised in Table 34.

Table 34: Garatau process plant capex cost summary

Area	ZAR M	US$M
Concentrator (see Table 14)	1,927.2	154.2
EPCM Contractor	204.3	16.3
Spares	59.6	4.8
First Fill	37.6	3.0
Consultants	20.1	1.6
Safety and Security	4.4	0.3
General	2.5	0.2
Total	**2,255.6**	**180.4**

CSA Global cannot see any allowance for owner's costs nor contingency in the Garatau process plant capex cost estimate.

The Garatau process plant capex costs can be benchmarked against that of the Platreef PGM Project. Process plant capex costs for the Platreef process plant are summarised in Table 35.

Table 35: Platreef process plant capex cost summary

Area	US$M
Concentrator	167.4
EPCM Contractor	23.6
Project Services	
Financials	-
Owners Project Team	5.5
Future Studies	2.7
Project Implementation	9.4
Consultants	0.7
Logistics and Freight	0.1
Commissioning	1.2
Subtotal	210.6
Spares and Consumables	10.6
Contingency	43.6
Total	**264.8**

The concentrator capex cost for the Platreef PGM Project is higher than estimated for the Garatau PGM Project, given the fact that a more capital-intensive MF-2 circuit has been adopted.

Sustaining capex costs of US$86 million were assumed for the Platreef PGM Project. CSA Global does not see any allowance for sustaining capex costs in the Garatau capex cost estimate.

5 Valuation of Mineral Assets not included in the Current Mine Plan

Mineral Assets not included in the current mine plan or the financial model based on the current mine plan, include:

- Garatouw Merensky Reef Mineral Resources outside of the current mine plan;
- Garatouw UG2 Mineral Resources;
- Hoepakrantz Merensky Reef Mineral Resources;
- Hoepakrantz UG2 Mineral Resources;
- De Kom Merensky Reef Mineral Resources; and
- De Kom UG2 Mineralisation.

5.1 Previous Valuations

CSA Global is not aware, nor has CSA Global been made aware of, any previous valuations of the Mineral Assets that are in the public domain. CSA Global is aware of a valuation of the assets carried out in October 2017, that has not been released to the public. The approach followed in the relevant valuation was consistent with the methods applied in this valuation.

5.2 Valuation Approach

Valuation of Mineral Assets is not an exact science; and a number of approaches are possible, each with varying positives and negatives. While valuation is a subjective exercise, there are a number of generally accepted procedures for establishing the value of Mineral Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience.

Refer to Appendix 1 for a discussion of Valuation Approaches and Valuation Methodologies, including a description of the VALMIN classification of Mineral Assets.

In forming an opinion on the Market Value of the Mineral Assets, the valuation approach adopted by CSA Global has been to rely primarily on Market-based methods (primarily the Comparative Transaction method). This was based on the declared Mineral Resources on the properties (Table 36).

Table 36: Valuation basis and methods employed

Mineral Asset	Classification	Contained 4E (Moz)	Valuation methods
Garatouw Merensky within current mine plan#	Pre-Development	8.12	Not valued in this report; Income method appropriate
Garatouw Merensky outside of the current mine plan	Pre-Development	2.73	Transactions, Yardstick, Geological Risk
Garatouw UG2	Pre-Development	21.78	Transactions, Yardstick, Geological Risk
Hoepakrantz Merensky	Pre-Development	9.52	Transactions, Yardstick, Geological Risk
Hoepakrantz UG2	Pre-Development	20.52	Transactions, Yardstick, Geological Risk
De Kom Merensky	Advanced Exploration	0.52	Transactions, Yardstick, Geological Risk
De Kom UG2	Advanced Exploration	0.88	Transactions, Yardstick, Geological Risk

#CSA Global understands that the decision to develop the project has not as yet been made.

CSA Global has employed the Yardstick method as a non-corroborative order of magnitude crosscheck on the valuation using the Comparative Transactions method. The choice of alternative valuation method employed was dictated by the exploration stage of the assets and the availability of information.

In addition, CSA Global considered two variations of the Geological Risk method in assessing the value of the mineral resources. The first version used a target value for each resource based on factoring the NPV/oz of the current Garatau mine plan, and considered possible costs and likely probabilities in upgrading these resources to this point. The second version used a target value for each resource based on the US$/oz factor for Feasibility level resources derived from the analysis of market transactions, and considered possible costs and likely probabilities in upgrading these resources to this point (largely Measured and Indicated Resources).

The Valuation Basis employed by CSA Global is Market Value, as defined by the VALMIN Code (2015). The Valuation Date is 29 May 2018. The currency is United States dollars (US$) unless otherwise stated.

Project values are expressed on a 100% basis.

5.3 Market and Pricing

The price history in US$/oz for platinum, palladium, gold and rhodium since January 2013 is shown in Figure 56. Note that although the prices of these metals are of a similar order of magnitude, there has been marked changes in the relative values of these metals within the past five years. Note for example that palladium was approximately half the price of platinum in 2013, whereas they are currently priced very similarly. Also note the rapid increase in the price of rhodium in the past two years, such that it currently has a price around twice that of platinum.

The observed change in the price of platinum underlines the importance of normalising implied transaction prices for transactions that occurred over this period.

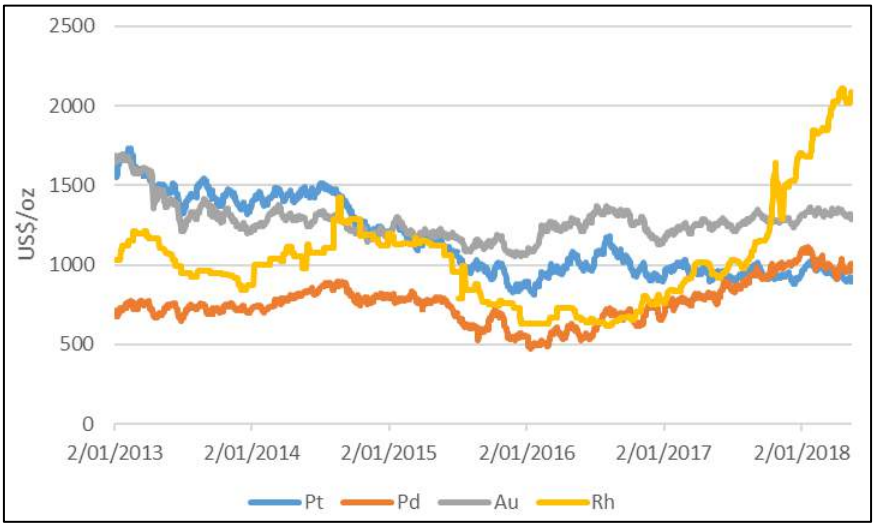


Figure 56: Price history of platinum, palladium, gold and rhodium (January 2013 to May 2018)

Data sourced from S&P Global Market Intelligence Platform

5.4 Comparative Transactions Analysis

The transactions considered were announced post-January 2013, and sufficient information on the transaction and material projects were available in the public domain for the analysis of the transactions.

In analysing the transactions, all amounts were converted to US$ at the relevant exchange rate at the time of the transaction announcement. Share consideration was treated as the equivalent cash value using share prices at the time of the transaction, unless the shares were issued at a particular deemed price.

CSA Global considered ten transactions involving Bushveld Complex platinum projects with declared mineral resources at the time of the transaction. The transactions were selected as sufficient information was available in the public domain to enable them to be analysed in terms of price paid per ounce of resource acquired. These transactions are summarised in Table 49 of Appendix 2.

One transaction, the Sail Group acquisition of Smokey Hills in September 2017, stood out as an outlier, with a normalised transaction price of US$29.92/oz 4E (Figure 57). It is however notable that this project is situated on the Eastern limb of the Bushveld Complex, as is the Garatau Project, and adjoins the Garatau project on the up-dip extent of the UG2 (Figure 1).

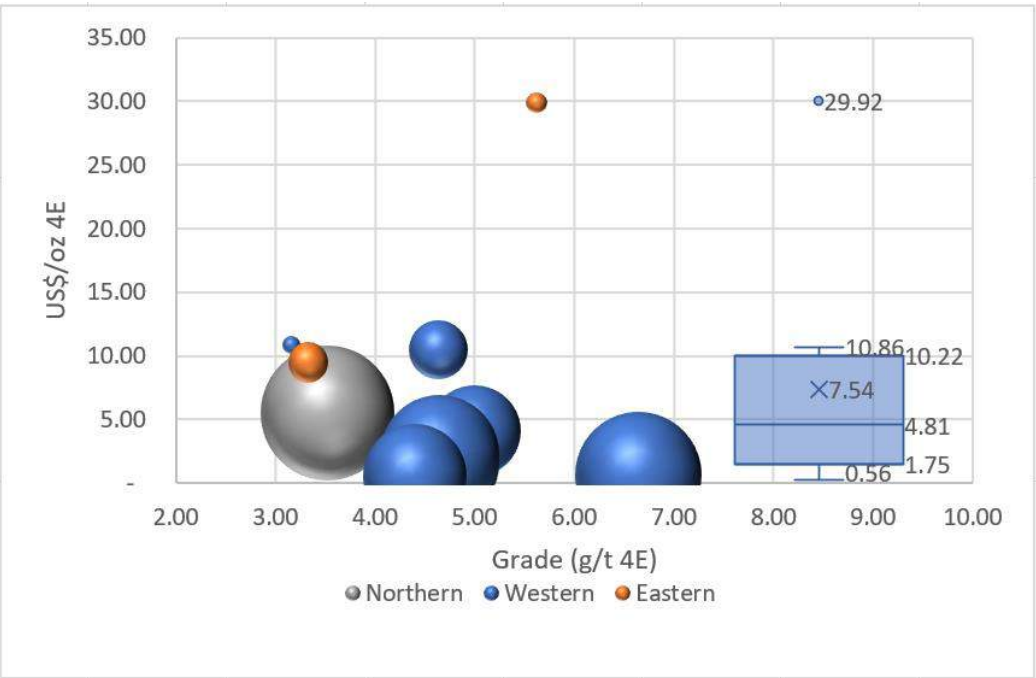


Figure 57: Grade vs. normalised transaction price

Note: Bubble size proportional to contained 4E ounces (larger bubbles indicate larger resources).

An analysis of the statistics of the comparative transactions, both including and excluding the outlier transaction, is summarised in Table 37. Table 38 and Figure 58 and Figure 59 summarise further assessments. The transactions are discussed on an individual basis below.

Table 37: Analysis of comparative transactions

	All transactions		Excluding outlier	
	Implied (US$/oz 4E)	**Normalised# (US$/oz 4E)**	**Implied (US$/oz 4E)**	**Normalised# (US$/oz 4E)**
Transactions	10	10	9	9
Minimum	0.62	0.56	0.62	0.56
Maximum	31.79	29.92	12.50	10.86
Mean	8.20	7.54	5.58	5.06
Median	4.96	4.81	4.33	4.09
Weighted average	3.33	3.09	3.20	2.98

#Normalised to platinum spot price of US$907/oz (average spot price for period 1 May 2018 to 16 May 2018).

Table 38: Analysis of normalised transaction values by project status

	Feasibility	Feasibility + Pre-feasibility	Production	Care and maintenance	Care and maintenance (excluding outlier)
Transactions	2	3	3	4	3
Minimum	4.09	0.67	1.58	0.56	0.56
Maximum	5.52	5.52	10.86	29.92	10.47
Mean	4.81	3.43	4.90	12.60	6.83
Median	4.81	4.09	2.27	9.97	9.47
Weighted average	5.07	3.41	2.02	4.20	3.57

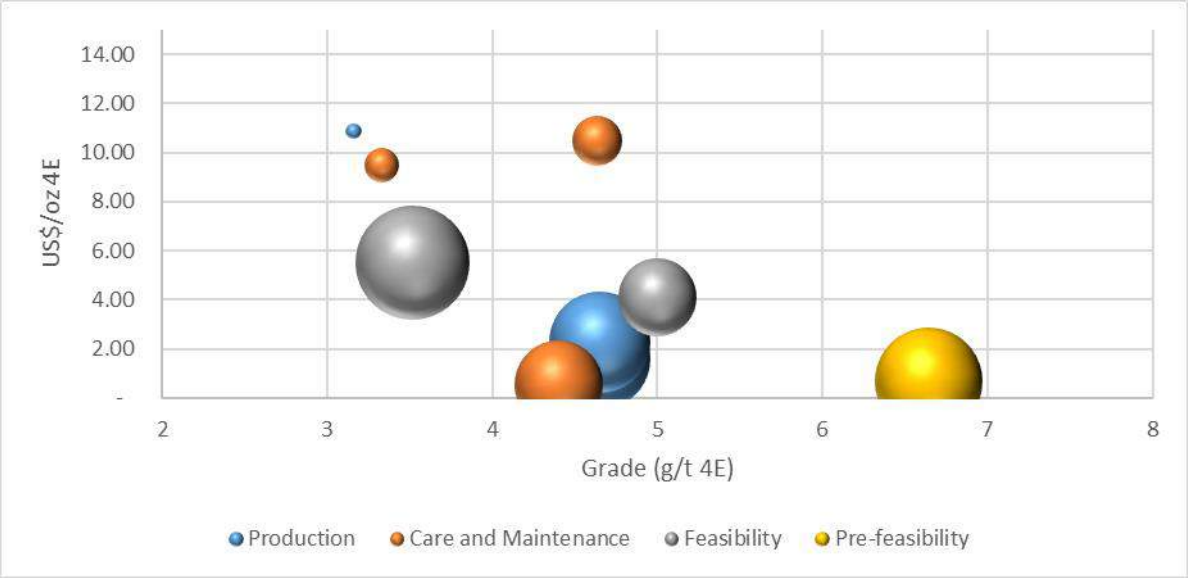


Figure 58: Grade vs. normalised transaction price considering project status (outlier excluded)

Note: Bubble size proportional to contained 4E ounces (larger bubbles indicate larger resources).

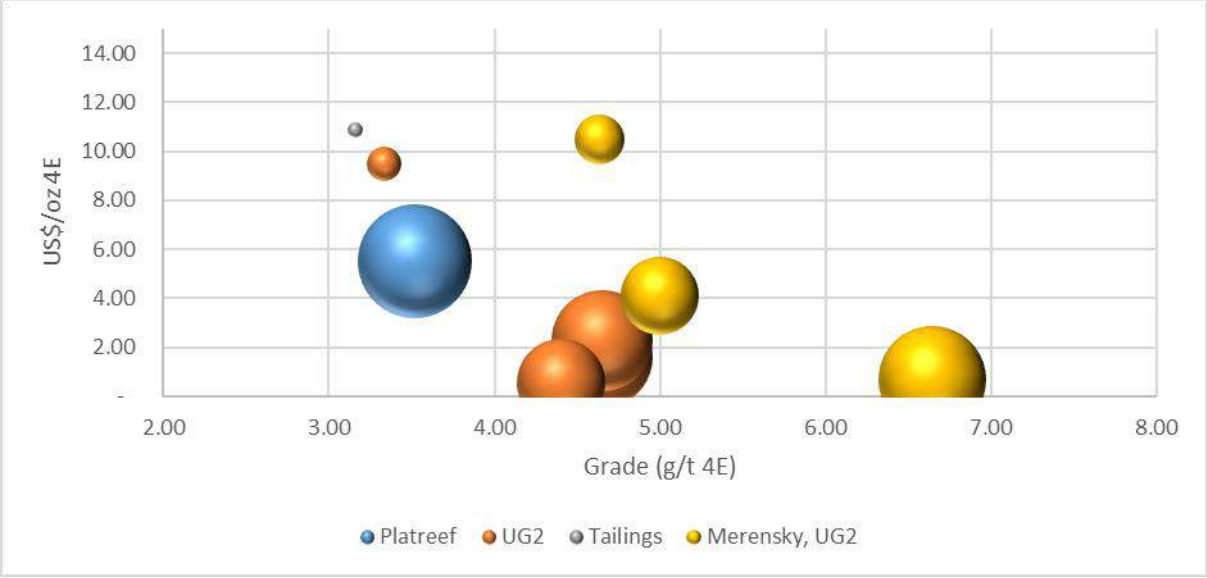


Figure 59: Grade vs. normalised transaction price considering target reefs (outlier excluded)

Note: Bubble size proportional to contained 4E ounces (larger bubbles indicate larger resources).

The transaction set considered included three projects that were in operation at the time of the transaction. These are less comparable to the Garatau Project directly, but provide information on the market appetite for these types of assets in this region.

Two of these transactions involved the Pandora Mine, with Eastern Platinum acquiring an additional 42.5% interest from Anglo American in November 2016, and the remaining 7.5% interest from Northam in May 2017. The Pandora Mine represented a reasonably large resource base (28.3 Moz 4E) on the UG2 Reef in the Western limb of the Bushveld Complex. The normalised prices for these transactions were US$2.27/oz 4E for the November 2016 transaction and US$1.58/oz 4E for the May 2017 transaction.

The third transaction involving an operating asset was the Sylvania acquisition of the Phoenix tailings treatment operation in July 2017. It contained a small (0.6 Moz 4E) resource base of chromite tailings, as well as the PGM concentrator plant, and had a normalised transaction price of US$10.86/oz 4E. This is less comparable to the Garatau Project but does indicate regional market support for the commodity itself.

The transaction set also included four previously operating projects that were in care and maintenance at the time of the transaction. These are arguably more comparable to the Garatau Project than the producing operations are, but they are not directly comparable to the Garatau Project in that these projects do include sunk capital in infrastructure, and have previously been in production. They were also often driven by strategic considerations.

In September 2017, the Sail Group acquired the Smokey Hills Project at a normalised price of US$29.92/oz 4E. This represented a small, high-grade, remnant resource that was entirely classified as Measured or Indicated. The mine had been in production between 2009 and 2012, with limited production reported in 2015 and 2016, but was on care and maintenance at the time of the transaction. In terms of project stage, this is not comparable to the Garatau Project, but it is worth noting that Smokey Hills adjoins the Garatau Project, and represents the updip extent of the UG2 orebody, where it is close to surface.

Also, in September 2017, Royal Bafokeng acquired the Maseve Project from Platinum Group Metals Ltd at a normalised price of US$10.47/oz 4E. The relatively small remnant resource base (6.7 Moz 4E) included both the Merensky and UG2 reefs, and is situated on the Western limb of the Bushveld Complex. The acquisition was strategic, as the plant capacity acquired in this transaction allows earlier processing of material from Royal Bafokeng's adjacent Styldrift I project.

In February 2015, Northam acquired the remnant resources of the previously producing Everest Mine on the Eastern limb of the Bushveld Complex from Aquarius for a normalised price of US$9.47/oz 4E. It represented a small (3.1 Moz 4E), low grade resource on the UG2 Reef, but the transaction was strategic in that it included surface plant and infrastructure which allowed Northam greater flexibility in accessing Northam's Booysendal Central and Booysendal South orebodies on the adjacent Booysendal mine.

Northam also acquired the previously producing Eland Mine from Glencore in February 2017, at a normalised transaction price of US$0.56/oz 4E. Eland is a large (21.3 Moz 4E) UG2 resource on the Western limb of the Bushveld Complex. The assets acquired included the two Mining Rights and surface and underground infrastructure, including a concentrator plant and a mining fleet in excess of 100 vehicles which include low profile mechanised mining equipment, a portion of which will be utilised at Northam's Booysendal South operation.

The transaction set includes three projects that had not been developed at the time of the transaction, with one being a very early stage project, and the remaining two being Feasibility stage projects. These are considered most comparable to the Garatau Project in terms of project maturity.

The Impala acquisition of an interest in Waterberg in October 2017 represents the latest transaction considered. The stage of development, resource base and 4E grade are comparable to the Garatau Project, although the resource involved is the Platreef on the Northern limb of the Bushveld. A Feasibility

Study had been completed, approximately 70% of the Resources were classified as Measured or Indicated, and the resource remained open down dip and along strike. The normalised price for this transaction was US$5.52/oz 4E.

The Northam acquisition of a portion of Amandelbult from Anglo American Platinum in October 2016 also represents a reasonable comparative for the Garatau Project. The resource base was entirely in the Inferred category, as the resources were long-dated and outside of Anglo's long-term mine plan. There was therefore no current supporting infrastructure. The resource was however potentially accessible after a short lead time from Northam's existing Zondereinde infrastructure, allowing Northam greater flexibility in mine plans. This transaction had a normalised price of US$4.09/oz 4E.

The only pre-Feasibility level project in the transaction set is the Pilanesberg Platinum acquisition of Kruidfontein in January 2014. The resource base is large at 31.8Moz 4E, but comparatively deep and isolated, and not supported by any mining studies. They are also based on limited drilling. Unlike the other projects considered and Garatau, Kruidfontein did not have a Mining Right issued, and Aquarius was awaiting the renewal of the Prospecting Right at the time of the transaction. The normalised transaction price for this transaction was US$0.67/oz 4E.

From these data and analysis, CSA Global exercised professional judgement in selecting appropriate valuation factors for the Garatouw, Hoepakrantz and De Kom properties, as summarised in Table 39.

Table 39: Selected valuation factors for each area

	Low (US$/oz 4E)	High (US$/oz 4E)	Preferred (US$/oz 4E)
Garatouw Merensky	2.30	4.70	3.50
Garataouw UG2	2.80	4.20	3.50
Hoepakrantz	1.02	2.38	1.70
De Kom	0.35	1.05	0.70

The factors have been compiled to an appropriate level of precision and minor rounding errors may occur.

In valuing the Mineral Resources for Garatouw 282KT that are outside of the current mine plan, CSA Global exercised professional judgement in choosing a preferred value that is less than the average transaction value of the two Feasibility level projects considered (around US$5/oz 4E), as the Garatouw resources outside of the mine plan are not the subject of the current Feasibility study. Likewise, in CSA Global's judgement, the preferred value for the Garatouw Mineral Resources outside of the current mine plan should be higher than the factor derived from the Kruidfontein transaction, as the Garatouw resources underlie a granted Mining Right, are shallower and less isolated than the Kruidfontein Resources, and are at a higher level of technical certainty.

The preferred valuation factor for the Mineral Resources on the Garatouw property that are currently outside of the mine plan is rounded from the mean and weighted average values of transactions involving the three projects that had never been developed at the time of the transaction, in line with the reasoning explained above. This is also similar to the weighted average of the transactions involving projects under care and maintenance when the high outlier is removed. CSA Global then selected high and low factors to give a symmetrical range of 34% above and below the preferred value for the Merensky Reef resources, which are all at the Inferred level, and 20% above and below the preferred value for the UG2 resources, which are classified as 30% Measured and approximately 30% Indicated. CSA Global views these ranges as appropriate for projects with Resources at these levels of geologic confidence. These ranges fall well within the overall range defined by the transaction set.

For the Hoepakrantz property, the preferred valuation factor selected for the Garatouw property was halved, and the high and low factors were obtained by applying a symmetrical range of 40% above and below the preferred factor. This difference in valuation factors for the Garatouw and Hoepakrantz properties reflects CSA Global's view on the relative confidence in the resources, and hence risk inherent

in the properties. This range also falls well within the overall range defined by the transaction set but falls within the lower portion of this overall range.

For the De Kom property, the preferred valuation factor is rounded from the normalised transaction value of the only prefeasibility-level property in the transaction set. The high and low valuation factors were selected to give a symmetrical range of approximately 50% above and below the preferred value, which CSA Global view as appropriate for a project at this stage of development. This reflects CSA Global's view that the declared resource on De Kom better fits current market understanding of an Exploration Target, justifying valuing it at the low end of resource transactions.

5.4.1 Comparatives Valuation

Applying the selected valuation factors presented in Table 39 to the resource base for each of the properties results in the valuation ranges and preferred values summarised in Table 40. Note that the Garatouw Merensky resource base considered here excludes the resources that fall within the current mine plan.

Table 40: Valuation based on comparative transactions

Area	Reef	Contained 4E (Moz)	Low (US$M)	High (US$M)	Preferred (US$M)
Garatouw	Merensky[#]	2.73	6.3	12.8	9.6
	UG2	10.93	30.6	45.9	38.3
	Total	**13.7**	**36.9**	**58.7**	**47.8**
Hoepakrantz	Merensky	9.52	9.7	22.7	16.2
	UG2	11	11.2	26.2	18.7
	Total	**20.52**	**20.9**	**48.8**	**34.9**
De Kom	Merensky	0.52	0.18	0.55	0.36
	UG2	0.88	0.31	0.92	0.62
	Total	**1.4**	**0.49**	**1.47**	**0.98**

[#]Garatouw Merensky Reef resource excludes material that will be mined as part of the current mine plan.

5.5 Yardstick Order of Magnitude Crosscheck

CSA Global used the Yardstick method as an order of magnitude check on the Mineral Resources valuation completed using comparative transactions. The Yardstick order of magnitude check is simplistic (e.g. it is very generalised and does not address project specific value drivers but takes an "industry-wide" view). It provides a non-corroborative valuation check on the primary comparative transactions valuation method, allowing CSA Global to assess the reasonableness of the derived comparative transactions valuation and whether there are any potential issues with their preferred primary valuation method.

For the Yardstick order of magnitude check, CSA Global used the following spot prices, which represent the average spot prices for the period 1 May 2018 to 16 May 2018:

- Platinum: US$907/oz
- Palladium: US$977/oz
- Gold: US$1,310/oz
- Rhodium: US$2,040/oz

CSA Global also applied the project steady state recovery factors for each element, as indicated in Table 25 and summarised below:

- Platinum: 85.7%
- Palladium: 82.1%
- Gold: 77.1%
- Rhodium: 85.3%.

In addition, CSA Global applied the following commonly used Yardstick factors:

- Measured Resources: 2% to 5% of spot price
- Indicated Resources: 1% to 2% of spot price
- Inferred Resources: 0.5% to 1% of spot price
- Exploration Target: <0.5% of spot price.

Note that in considering the Yardstick order of magnitude crosscheck, CSA Global valued the entire Hoepakrantz mineral resource as though it were classified as Inferred Resources, based on the factors discussed in Section 3.2.2 of this ITAVR.

In addition, CSA Global consider the current state of knowledge on the mineralisation underlying the De Kom farm to be more aligned with current definitions of an Exploration Target rather than an Inferred Resource. CSA Global has therefore applied the lowest yardstick factor to this mineralisation.

Applying these factors to the Nkwe resource base results in the preferred values and valuation ranges summarised in Table 41.

CSA Global note that the valuation ranges from the Yardstick order of magnitude crosscheck are of the same order of magnitude as the valuation ranges obtained using the comparative transactions, and in fact significantly overlap these ranges in the case of the Garatouw Merensky resources. CSA Global therefore conclude that the Yardstick order of magnitude crosscheck supports the valuation ranges derived using the comparative transactions.

Table 41: Summary of Yardstick order of magnitude crosscheck

Farm	Reef	Class	Pt (Moz)	Pd (Moz)	Au (Moz)	Rh (Moz)	Low (A$M)	High (A$M)	Preferred (A$M)
Garatouw	Merensky#	Measured	0.00	0.00	0.00	0.00	0.0	0.0	0.0
		Indicated	0.00	0.00	0.00	0.00	0.0	0.0	0.0
		Inferred	1.65	0.80	0.19	0.09	11.4	22.8	17.1
		Subtotal	**1.65**	**0.80**	**0.19**	**0.09**	**11.4**	**22.8**	**17.1**
	UG2	Measured	1.43	1.44	0.05	0.31	57.1	142.7	99.9
		Indicated	1.34	1.32	0.05	0.29	26.6	53.1	39.8
		Inferred	1.94	1.94	0.07	0.42	19.3	38.7	29.0
		Subtotal	**4.71**	**4.70**	**0.16**	**1.03**	**103.0**	**234.4**	**168.7**
	TOTAL		**6.37**	**5.50**	**0.35**	**1.12**	**114.3**	**257.2**	**185.8**
Hoepakrantz	Merensky	Indicated^	3.49	1.63	0.41	0.20	23.9	47.8	35.9
		Inferred	2.10	1.01	0.26	0.12	14.5	29.1	21.8
		Subtotal	**5.58**	**2.64**	**0.67**	**0.32**	**38.5**	**76.9**	**57.7**
	UG2	Measured^	1.74	1.74	0.06	0.38	17.3	34.6	25.9
		Inferred	3.15	3.15	0.11	0.68	31.4	62.7	47.0
		Subtotal	**4.89**	**4.89**	**0.17**	**1.06**	**48.6**	**97.3**	**73.0**
	TOTAL		**10.47**	**7.53**	**0.84**	**1.38**	**87.1**	**174.2**	**130.7**
De Kom	Merensky	Inferred*	0.30	0.15	0.04	0.02	1.0	2.1	1.6
	UG2	Inferred*	0.37	0.38	0.01	0.08	1.9	3.8	2.8
	TOTAL		**0.67**	**0.53**	**0.05**	**0.10**	**2.9**	**5.8**	**4.4**

#Garatouw Merensky Reef resource excludes material that will be mined as part of the current mine plan.
^All Hoepakrantz resources valued on the basis of Inferred Resources.
*De Kom mineralisation valued on the basis of Exploration Target.-±+

5.6 Geological Risk Valuations

CSA Global also considered the Geological Risk method in assessing the market value of the Mineral Resources outside of the current mine plan. The Geological Risk method is described in Appendix 1.

In the Geological Risk Valuation method the value of a project at a given stage of knowledge/development is assessed based on the potential value of the project at a later stage of development, discounted by the probability of the potential value of the later stage being achieved, and considering the estimated cost of progressing the project to the next stage.

CSA Global assessed the value of the Mineral Resources outside of the current Nkwe mine plan by considering two variations of the Geological Risk method, the first using a target value based on an assumed NPV/oz for a successful, completed Feasibility Study for the target resources (Table 50 in Appendix 3), and the second using a target value for high confidence Measured and Indicated Resources (Table 51 in Appendix 3), based on the analysis of Comparative Transactions discussed in Section 5.4.

The results of these assessments are summarised in Table 42, and the assumptions used in completing the Geological Risk assessments of value are discussed below. Note that only the preferred values are indicated. In CSA Global's professional opinion, a range of 30% above and below these values would be appropriate in assessing the implied valuation ranges in these assessments.

Table 42: Summary of Geological Risk method valuations

Resource	Moz 4E	Current Stage[#]	Current Value (Feasibility)	Current Value (Resource)
Garatouw Merensky (outside mine plan)	2.73	D	12.0	7.0
Garataouw UG2	10.93	D	39.4	29.9
Hoepakrantz Merensky	9.52	D	27.6	25.6
Hoepakrantz UG2	11.00	D	39.9	30.1
De Kom Merensky	0.52	C	0.0	0.0
De Kom UG2	0.88	C	0.3	0.0

[#] See Table 45 in Appendix 1 for description of Project Stage

5.6.1 Assumptions for Geological Risk Method considering Feasibility Study

With an assumed NPV of approximately US$34.2 million from the current Garatou mine plan covering 8.12 Moz 4E, this gives an assumed NPV/oz of US$4.20 from the current mine plan.

Conceptually, if the mine plan were extended so as to include the Merensky Reef resources on Garatouw 282KT not currently included in the mine plan, the processing plant and shaft infrastructure developed in the current mine plan would be utilised, therefore the marginal NPV/oz for these extended resources should be higher than the NPV/oz in the current mine plan, as plant and shaft infrastructure capex would be sunk costs. Therefore a target NPV/oz of US$6.30/oz (150% that of the current mine plan) was assumed for these resources.

Likewise, if a plan to mine the UG2 Resources underlying the Merensky Reef Resources on the farm Garatouw 282KT were to be premised on utilising the plant and shaft infrastructure that would be developed for the current mine plan, the capex requirement should be less than that of the current mine plan, but certainly more than that required to mine the Merensky Reef extended resources, as the shaft would have to be deepened. Therefore a target NPV/oz of US$5.04/oz (120% that of the current mine plan) was assumed for the Garatouw UG2 Resources.

CSA Global assumed that any mine plans for Hoepakrantz and De Kom would be treated as independent mines, requiring their own shafts and processing plants. Therefore CSA Global adopted target NPV/oz

values of USD4.20/oz (the same as for the current mine plan) for the Merensky Reef resources for Hoepakrantz and De Kom, and US$5.04/oz (the same as adopted for the Garatau UG2) for the UG2 resources for Hoepakrantz and De Kom.

The assumed costs associated with the technical components of the implied Feasibility Studies are summarised in Table 50 of Appendix 3. These ranged from US$0.2M for the study considering the expansion of the current mine plan to recover Merensky Reef mineralisation outside of the current mine plan on Garatouw 282KT, to US$0.5M for the study to deepen the Garatouw 282KT shaft to access the UG2. The assumed cost of a Feasibility Study for the Hoepakrantz Merensky resource is also US$0.5M.

The assumed costs of drilling to establish JORC 2012 compliant Inferred Resources on De Kom, and to upgrade all resources to high confidence Measured and Indicated Resources suitable to support detailed Feasibility Studies is also summarised in Table 50 of Appendix 3. The same drilling costs are assumed in Table 51. The drilling costs are based on an assumed cost of US$80/m for diamond drilling, and an average hole length of 950 m. Additional costs of 1% to 3% of the drilling costs were assumed for supporting technical studies, including resource estimation, additional analyses, etc.

5.6.2 Assumptions for Geological Risk Method considering Resource Values

The assumed target value for the individual resource bases was derived using a factor of US$3.50/oz 4E, assuming that all resources were upgraded to high confidence Measured and Indicated Resources. The factor of US$3.50/oz 4E is based on the preferred valuation factor from the analysis of comparative transactions.

Costs associated with drilling and supporting technical studies to support the upgrading of the Mineral Resources are the same as assumed for the other variation of this method considered.

5.7 Valuation Opinion

CSA Global's opinion on the likely market value of Nkwe's mineral assets outside of the Garatau mine plan, as at 29 May 2018, is summarised in Table 43 and illustrated in Figure 60 to Figure 66. CSA Global stress that this is an opinion on value, and not an absolute value, which can only be tested by going to market.

Table 43: CSA Global opinion on likely market value of Nkwe's mineral assets, outside of the Garatau mine plan, as at 31 May 2018

Area	Reef	Low (US$M)	High (US$M)	Preferred (US$M)
Garatouw Outside LOM	Merensky Reef[#]	7	13	10
	UG2	30	46	38
	Subtotal	**37**	**59**	**48**
Hoepakrantz	Merensky Reef	10	22	16
	UG2	12	26	19
	Subtotal	**22**	**48**	**35**
De Kom	Merensky Reef	0.2	0.6	0.4
	UG2	0.3	0.9	0.6
	Subtotal	**0.5**	**1.5**	**1.0**
TOTAL		**59.5**	**108.5**	**84.0**

[#]Garatouw Merensky Reef resource excludes material that will be mined as part of the current mine plan
Values quoted on a 100% basis, not equity basis
The valuation has been compiled to an appropriate level of precision and minor rounding errors may occur.

The valuation range and preferred value for the Merensky Reef resources on the Garatouw property, but outside of the current mine plan, is based primarily on the comparatives valuation range (Figure 60). The range indicated by the Yardstick order of magnitude crosscheck supports this range, with some overlap

evident. Both versions of the Geological Risk method also support the Comparatives range, with the Feasibility version overlapping the upper portion of the range, and the Resources version overlapping the lower portion of the range.

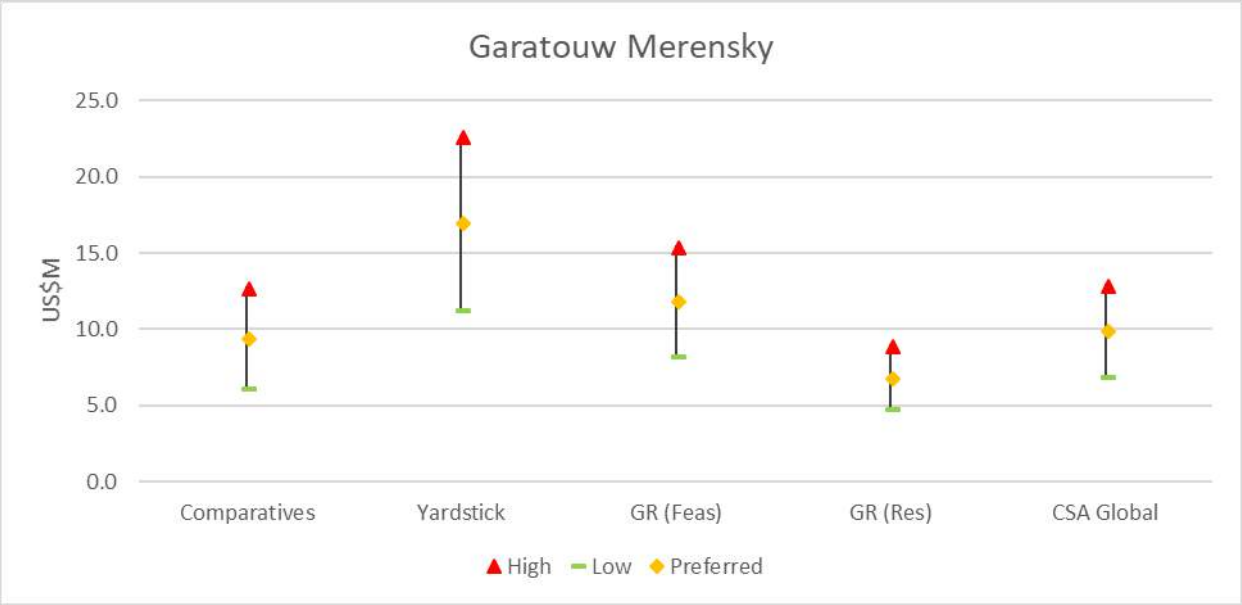


Figure 60: Valuation range for Garatau Merensky Reef

The valuation range and preferred value for the UG2 resources on the Garatouw property is based primarily on the comparatives valuation range (Figure 61). The higher range indicated by the Yardstick order of magnitude crosscheck is driven by the comparatively high proportion of Measured and Indicated Resources in this resource base. Both versions of the Geological Risk method strongly support the Comparatives range.

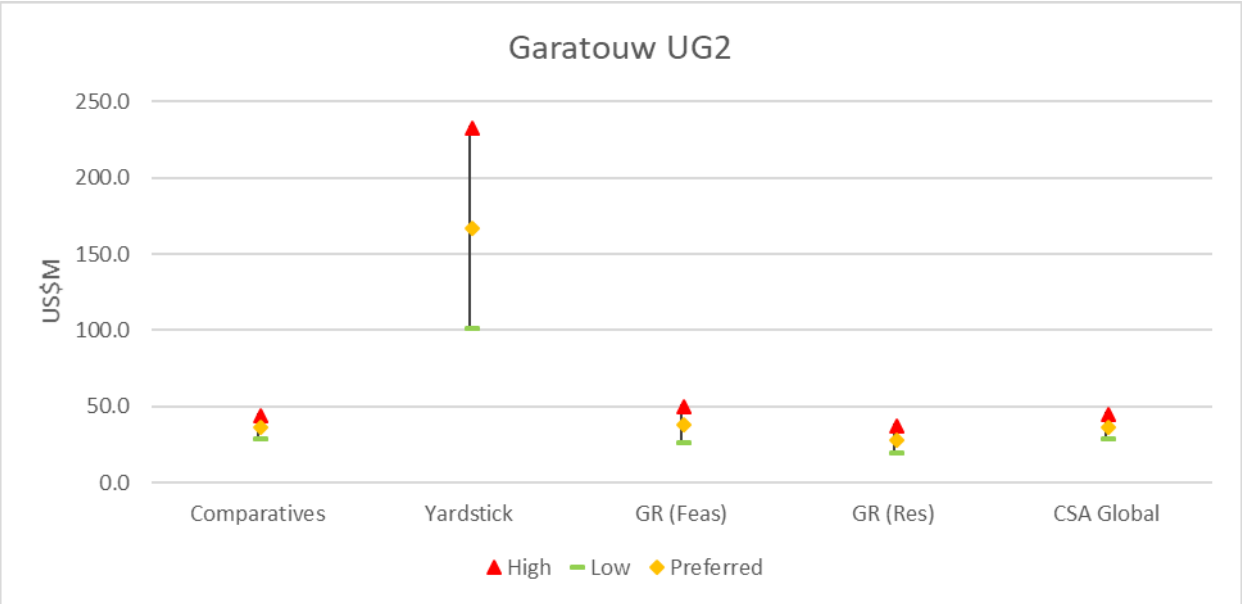


Figure 61: Valuation range for Garatouw UG2 Reef

The valuation ranges of the Merensky Reef and UG2 resources on Hoepakrantz (Figure 62 and Figure 63 respectively) are primarily based on the comparative transactions ranges. The Yardstick crosschecks falls outside this range, but is nevertheless of a similar order of magnitude, supporting the comparative

transactions range. Both versions of the Geological Risk method bridge this gap, and overlap with the Comparatives valuation range, thus lending further support.

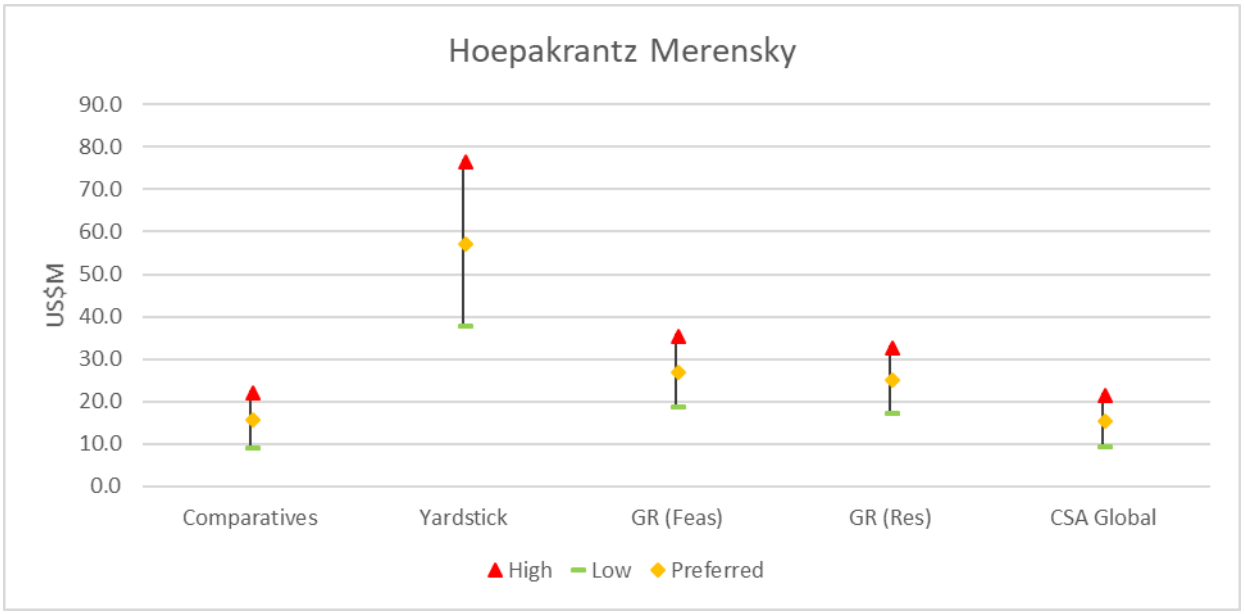


Figure 62: Valuation range for Hoepakrantz Merensky Reef

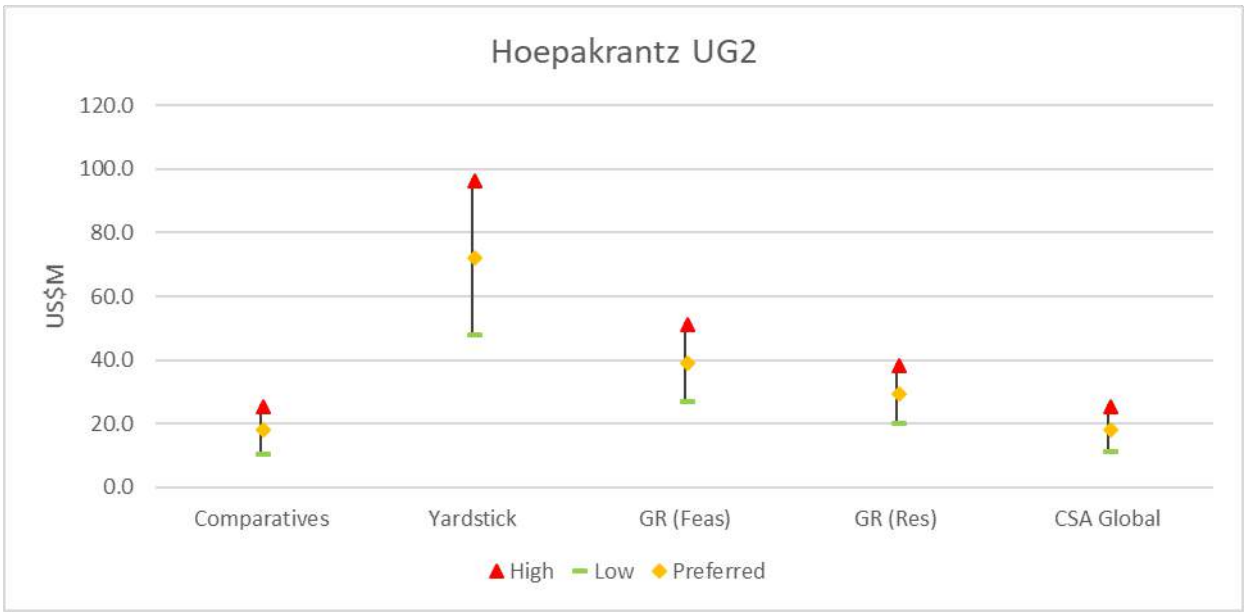


Figure 63: Valuation range for Hoepakrantz UG2 Reef

The valuation ranges of the Merensky Reef and UG2 resources on De Kom (Figure 64 and Figure 65 respectively) are based on the comparative transactions ranges. The Yardstick crosschecks range is based on the Yardstick factors for Exploration Targets, with the upper end based on the lower factor for Inferred Resources. CSA Global has exercised professional judgement in selecting Preferred values towards the higher end of these ranges in recognition of our view that these resources represent very strong and compelling Exploration targets, but nevertheless lack the confidence currently required of Inferred Resources.

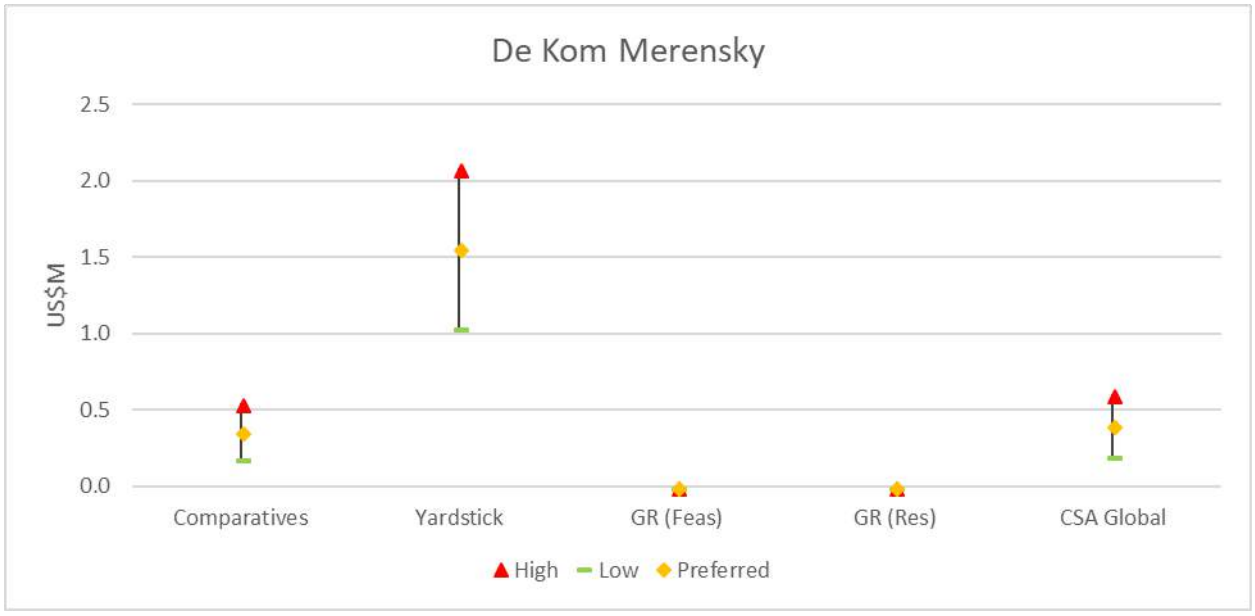


Figure 64: Valuation range for De Kom Merensky Reef

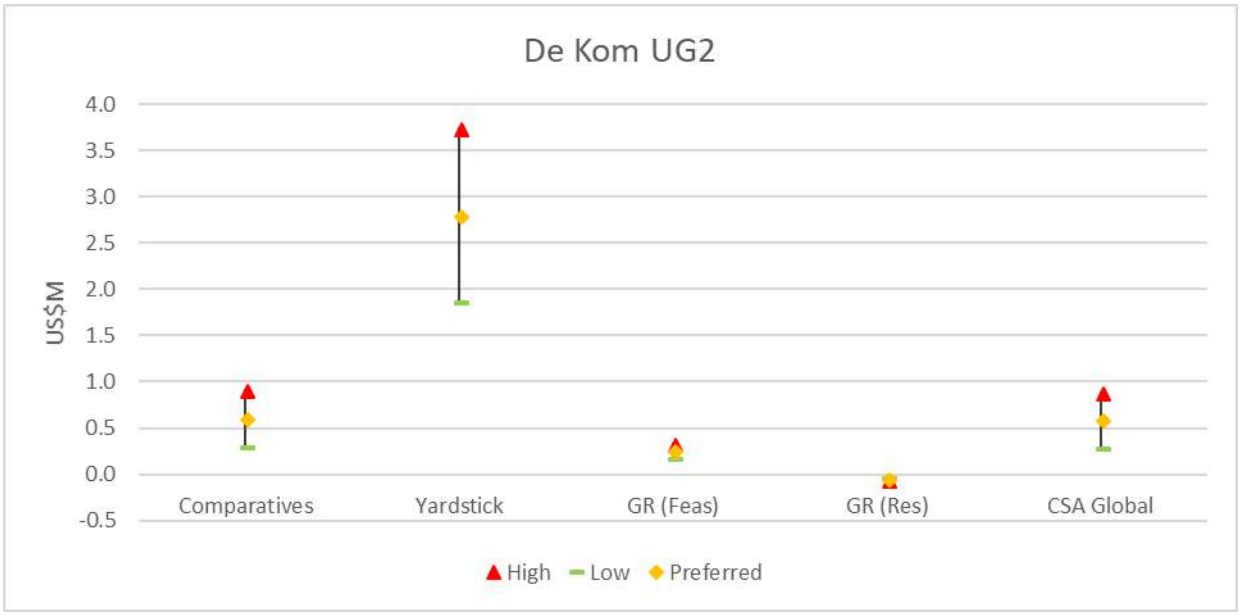


Figure 65: Valuation range for De Kom UG2 Reef

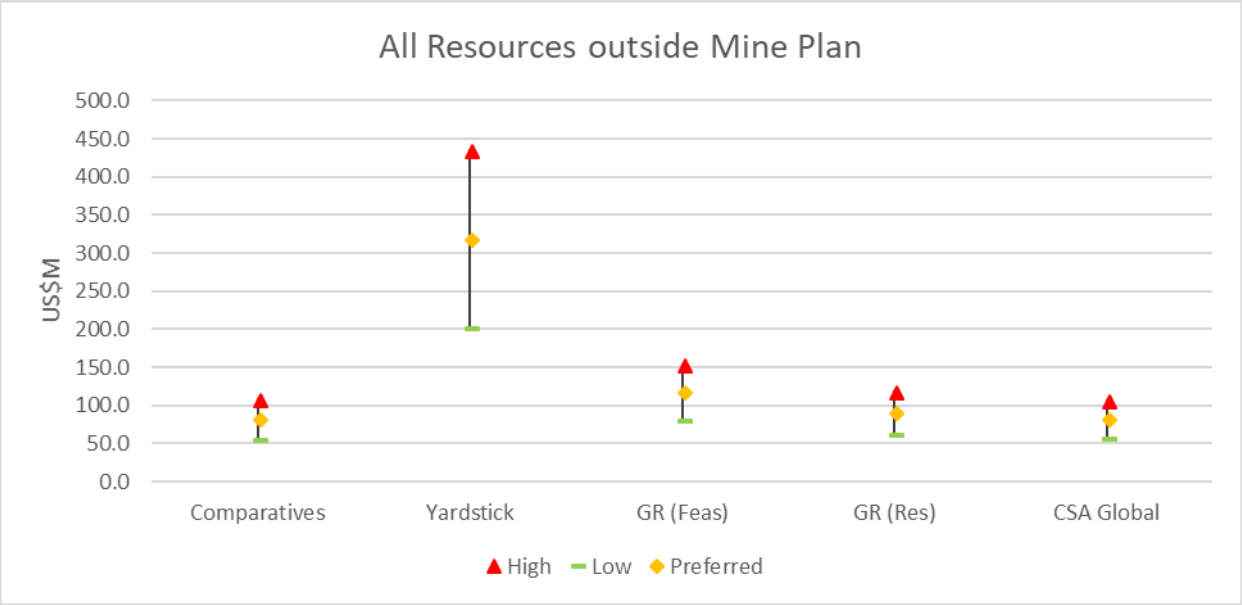


Figure 66: Valuation range for all Mineral Resources outside of the current Garatou mine plan

6 Conclusions and Recommendations

Nkwe plans to develop its mining right in phases, with the first mine to be established on the farm Garatouw 282KT. Nkwe completed a feasibility study at the Garatau Project area in 2010 which considered extracting both the Merensky Reef and UG2 Reef on the farm Garatouw 282KT. In 2011, Nkwe embarked upon a review process of the feasibility study with the main aim to reduce the initial capital and operating costs and to generate earlier revenue. The optimised feasibility study was completed in 2012. Importantly, a strategic decision was taken to initially extract only the Merensky Reef with the UG2 extracted later on while maintaining the requirement that a monthly ROM tonnage to concentrator of 300,000 t be achieved.

This decision means that the financial model considers only the value of the Merensky Reef on the farm Garatouw 282KT. It does not consider the value of the UG2 Reef on this farm, or any of the declared resources on the other two farms included under the Mining Right. Due to the large declared resource base on these farms, there is extensive value not captured in the current mine plan financial model.

The metallurgical assumptions assumed in the financial cashflow model appear to be optimistic given the 4E plant feed grade in the production plan. CSA Global recommends downgrading the assumed metallurgical recoveries by 3% units in the financial model. The proposed strategy for the phased expansion from 150 kt/month to 300 kt/month is sound, however it will require allowance during design stage for phase 2, as well as significant planning.

Process OPEX costs appear to be in line with other similar PGM projects in the region. Process capex costs for the concentrator appear to be in line with other similar PGM projects for similar plant capacity. However CSA Global recommends adding a capex allowance made for Owner's Costs and Sustaining Capital.

CSA Global recommends conducting locked cycle tests on representative composites to determine final 4E grade and recovery to the precious metals concentrate.

Clarity is required in the execution strategy (EPCM, EPC, etc.). In CSA Global's view, the mining assessment does not appear to have attained the rigour of a Class 3 estimate, and thus cannot be considered a Definitive Feasibility Study.

A significant number of assumptions have been adopted, some of which may no longer be valid given the significant elapsed time, and consequently significant scope for cost increases exists. CSA Global recommends reviewing these assumptions in detail, and updating them as required.

7 References

CCIC, 2012, (prepared by Subramani, D. and Schneiderhan, E.), *Nkwe Platinum SA – Garatau Project. Merensky Resource Update, January 2012.* Caracle Creek International Consulting – Mineral Resource Estimation Services. Report No: DRA-012-001, 80pp.

Coffey Mining (Prepared by Lomberg, K, Flemming, J and McKinney, R). 2010. Geological Modelling and Mineral Resource Estimate for Garatau Project. Prepared by Coffey Mining (SA) (Pty) Ltd on behalf of: Nkwe Platinum Limited.

ENSafrica, 2018. *Legal opinion regarding the Mining right (DMR Ref: LP 30/5/1/1/2/203 MR) held in terms of the Mineral and Petroleum Resources Development Act, 2002 in the Republic of South Africa*. Legal opinion dated 28 May 2018.

Ivanhoe Mines Ltd, 2015. *Platreef Project 2014 Prefeasibility Study*, released January 2015.

Joint Ore Reserves Committee, 2012. *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition*. [online]. Available from http://www.jorc.org (The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists, and Minerals Council of Australia).

Mitchell, A.A., and Scoon, R.N., 2007, *The Merensky reef at Winnaarshoek, Eastern Bushveld Complex: a primary magmatic hypothesis based on a wide reef facies*: Economic Geology v. 102, p. 971-1009.

Nkwe Platinum Limited (2017). *Financial report for year ended 31 December 2016*, released 12 May 2017.

Pegram, 2014, (prepared by MacGregor, D. and Pegram, T.), *Nkwe Platinum SA – Hoepakrantz Mineral Resource Estimation Report, 25th November 2014.* Theo Pegram and Associates (Pty) Ltd – Geological and Mine Technical Services. 76pp.

Scoon, R. N. and Teigler, B., 1994, *Platinum-group element mineralization in the Critical Zone of the western Bushveld Complex: I. Sulfide-poor chromitites below the UG-2*: Economic Geology, v. 89, p. 1094-1121.

Taylor, C.D., Schulz, K.J., Doebrich, J.L., Orris, G.J., Denning, P.D., and Kirschbaum, M.J., 2009. *Geology and nonfuel mineral deposits of Africa and the Middle East*: U.S. Geological Survey Open-File Report 2005-1294-E, 246p.

VALMIN, 2015, *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code)*, 2015 edition. [online]. Available from http://www.valmin.org (The VALMIN Committee of The Australasian Institute of Mining and Metallurgy, and The Australian Institute of Geoscientists).

8 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Wikipedia www.wikipedia.org.

Anorthosite	An igneous monomineralic rock that is composed of plagioclase feldspar (over 90% of the rock is composed of this mineral).
Archaean:	Widely used term for the earliest era of geological time spanning the interval from the formation of Earth to about 2,500 million years ago.
Basic rocks	Basic rocks such as gabbro, dolerite and basalt are poor in silica and contain the minerals olivine, pyroxene, feldspar and/or quartz among others; they are also rich in the metals magnesium and iron and are often described as "mafic".
Batholith	A large, generally discordant plutonic mass that has more than 40 square miles (100 km^2) of surface exposure and no known floor.
Bushveld Complex	A large layered igneous complex formed by injection into the earth's crust of multiple phases of magma pulses. Found in the northern part of South Africa, is the world's largest layered intrusion, and hosts over half of the world's platinum, chromium, vanadium and refractory minerals.
Chromitite	An igneous cumulate rock (cumulus) composed mostly of the mineral chromite.
Cumulus	Formed by the accumulation of crystals from a magma either by settling or floating.
Dunite	Dunite is an ultramafic plutonic rock that is composed almost exclusively of olivine.
Engineering, Procurement, and Construction (EPC)	A particular form of contracting arrangement used in some industries where the EPC Contractor is made responsible for all the activities from design, procurement, construction, to commissioning and handover of the project to the End-User or Owner.
Engineering, Procurement, and Construction Management (EPCM)	A special form of contracting arrangement, where the client selects a contractor who provides "management services" for the whole project on behalf of the client. The EPCM contractor coordinates all design, procurement and construction work and ensures that the whole project is completed as required and in time.
Feldspathic	Containing feldspar.
Felsic	Describes silicate minerals, magmas, and rocks which have a lower percentage of the heavier elements, and are correspondingly enriched in the lighter elements, such as silicon and oxygen, aluminium, and potassium. Generally light in colour.
Felsite	Felsite is a fine-grained, volcanic rock of light colour and is composed mainly of feldspar and quartz.
Footwall	The block of rock which lies on the underside of an inclined fault or of a vein of mineral.
Gabbro	A coarse-grained, dark-coloured, intrusive igneous rock. It is usually black or dark green in colour and composed mainly of the minerals plagioclase and augite.
Gabbronorite	A mafic composed of the calcium-rich plagioclase and hypersthene, olivine can be present in small quantities.
Granophyre	A granitic rock consisting of intergrown feldspar and quartz crystals in a medium- to fine-grained groundmass.
Hanging wall	The upper or overhanging wall of an inclined vein, fault, or other geologic structure
Harzburgite	A plutonic rock of the peridotite group consisting largely of orthopyroxene and olivine.

Interburden	Material of any nature that lies between two or more bedded ore zones.
Light Detection and Ranging (LiDAR)	A remote sensing method that uses light in the form of a pulsed laser to measure ranges (variable distances) to the Earth.
Mafic	A silicate mineral or igneous rock that is rich in magnesium and iron, and is thus a portmanteau of magnesium and ferric. Most mafic minerals are dark in colour, and common rock-forming mafic minerals include olivine, pyroxene, amphibole, and biotite.
Mother-hole	The primary drillhole drilled from surface, from which directional drilling wedges are then used to spit off subsidiary "daughter holes" in different directions to intersect the mineralisation. This drilling technique is used for drilling deep mineralised horizons, reducing the costs of drilling several access drillholes through barren lithological horizons.
Mottles	Mottled refers to a patchy/blotch texture of alteration or interbedding.
Norite	A mafic intrusive igneous rock composed largely of the calcium-rich plagioclase labradorite, orthopyroxene, and olivine.
Pegmatite	A coarsely crystalline igneous or plutonic rock composed primarily of feldspar and quartz, normally with muscovite and/or biotite mica.
Pegmatoidal	Resembling pegmatite.
Peridotite	A dense, coarse-grained igneous rock consisting mostly of the minerals olivine and pyroxene.
Plutonic	Relating to or denoting igneous rock formed by solidification at considerable depth beneath the earth's surface.
Poikilitic	Poikilitic texture refers to igneous rocks where large component crystals contain smaller crystals of other minerals within them.
Potholes	Potholes represent areas where the normally planar PGE-rich Merensky Reef of the upper Critical Zone of the Bushveld Complex transgresses (cuts into) its footwall, such geometric relationships being unusual in layered intrusions.
Pyroxenite	An ultramafic igneous rock consisting essentially of minerals of the pyroxene group, such as augite, diopside, hypersthene, bronzite or enstatite
Replacement pegmatoid	Discordant veins, pipes and occasionally subconcordant sheets of iron-rich ultramafic pegmatite that disrupt the layered cumulate sequence of the Upper Critical Zone of the Rustenburg Layered Suite, Bushveld Complex.
Rhyolite	An igneous, volcanic rock, of felsic (silica-rich) composition (typically > 69% SiO_2)
Specific Gravity	Also called relative density. The ratio of the density of any substance to the density of some other substance taken as standard, water being the standard for liquids and solids, and hydrogen or air being the standard for gases.
Stringer	A thin, discontinuous mineral vein or rock layer.
Ultramafic	Igneous and meta-igneous rocks with a very low silica content (less than 45%), generally >18% MgO, high FeO, low potassium, and are composed of usually greater than 90% mafic minerals.
Xenolith	A piece of rock within an igneous mass which is not derived from the original magma but has been introduced from elsewhere, especially the surrounding country rock.

9 Abbreviations and Units of Measurement

°	degrees
2D	two-dimensional
3D	three-dimensional
4E	Pt+Pd+Au+Rh
AIG	Australian Institute of Geoscientists
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
CCIC	Caracle Creek International Consulting
cm	centimetre(s)
CRM	certified reference material
CSA Global	CSA Global Pty Ltd
DFS	definitive feasibility study
dmtu	dry metric tonne units
EAR	early access ramp
ENS Africa	Edward Nathan Sonnenbergs Inc.
EPC	engineering, procurement, and construction
EPCM	engineering, Procurement, and construction management
FOS	factor of safety
g/t	grams per tonne
GPS	global positioning system
IER	Independent Valuation Report
Ir	iridium
IRR	internal rate of return
ITAVR	Independent Technical Assessment and Valuation Report
km	kilometres
km^2	square kilometres
KNA	kriging neighbourhood analysis
kt/a	thousands of tonnes a year, kt/yr
kt/month	kilo-tonnes (or thousands of tonnes) per month; also noted as KTPM
LDL	lower detection limit
LIDAR	light detection and ranging
LOM	life of mine
m	metre(s)
M	million(s)

m^3	cubic metres
mm	millimetres
MMF	Mill-Mill-Floor
Moz	million ounces
MRE	Mineral Resource estimate
Mt	million tonnes
Nkwe	Nkwe Platinum Limited
NVP	net present value
OK	ordinary kriging
ORWRDP	Olifants River Water Resources Development Project
Os	osmium
oz	Troy ounce
Pd	palladium
PFS	preliminary feasibility study
PGE	platinum group elements (Pt, Pd, Rh, Ir, Os, Ru)
ppb	parts per billion
ppm	parts per million
Pt	platinum
QAQC	quality assurance and quality control (for sampling and assaying)
QKNA	quantitative kriging neighbourhood analysis, studies to validate Mineral Resource estimation
Rh	rhodium
RLS	Rustenburg Layered Suite
ROM	run of mine
RSM	RSM Corporate (Australia) Pty Ltd
Ru	ruthenium
SG	specific gravity
t	tonne(s)
t/hr	tonnes per hour
t/month	tonnes per month
TSF	tailings storage facility
UG2	UG2 Chromitite Layer
Zijin	Zijin Mining Group Co. Ltd

Appendix 1: Valuation Approaches

Valuation of Mineral Assets is not an exact science; and a number of approaches are possible, each with varying positives and negatives. While valuation is a subjective exercise, there are a number of generally accepted procedures for establishing the value of Mineral Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience and professional judgement.

Background

Mineral Assets are defined in the VALMIN Code[6] as all property including (but not limited to) tangible property, intellectual property, mining and exploration tenure and other rights held or acquired in connection with the exploration, development of and production from those tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that tenure.

Business valuers typically define market value as "The price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious buyer, and a knowledgeable, willing but not anxious seller acting at arm's length." The accounting criterion for a market valuation is that it is an assessment of "fair value", which is defined in the accounting standards as "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction." The VALMIN Code defines the value of a Mineral Asset as its Market Value, which is "the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value usually consists of two components, the underlying or Technical Value, and a premium or discount relating to market, strategic or other considerations. The VALMIN Code recommends that a preferred or most-likely value be selected as the most likely figure within a range after taking into account those factors which might impact on Value.

The concept of Market Value hinges upon the notion of an asset changing hands in an arm's length transaction. Market Value must therefore take into account, inter alia, market considerations, which can only be determined by reference to "comparable transactions". Generally, truly comparable transactions for Mineral Assets are difficult to identify due to the infrequency of transactions involving producing assets and/or Mineral Resources, the great diversity of mineral exploration properties, the stage to which their evaluation has progressed, perceptions of prospectivity, tenement types, the commodity involved and so on.

For exploration tenements, the notion of value is very often based on considerations unrelated to the amount of cash which might change hands in the event of an outright sale, and in fact, for the majority of tenements being valued, there is unlikely to be any "cash equivalent of some other consideration". Whilst acknowledging these limitations, CSA Global identifies what it considers to be comparable transactions to be used in assessing the values to be attributed to Mineral Assets.

[6] *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) 2015 Edition.* Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

Valuation Methods for Mineral Assets

The choice of valuation methodology applied to Mineral Assets, including exploration licences, will depend on the amount of data available and the reliability of that data.

The VALMIN Code classifies Mineral Assets into categories that represent a spectrum from areas in which mineralisation may or may not have been found through to Operating Mines which have well-defined Ore Reserves, as listed below:

- **"Early-stage Exploration Projects"** – tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **"Advanced Exploration Projects"** – tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A MRE may or may not have been made but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **"Pre-Development Projects"** – tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely) but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **"Development Projects"** – tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Prefeasibility Study.
- **"Production Projects"** – tenure holdings – particularly mines, wellfields and processing plants - that have been commissioned and are in production.

Each of these different categories will require different valuation methodologies, but regardless of the technique employed, consideration must be given to the perceived "market valuation".

The Market Value of Exploration Properties and Undeveloped Mineral Resources can be determined by the following general approaches: Cost; Geoscience Factor, Geological Risk, Market; or Income. The Market Value of Development and Production Projects are best assessed using the Market and Income approaches.

Cost

Appraised Value or Exploration Expenditure Method considers the costs and results of historical exploration.

The Appraised Value Method utilises a Multiple of Exploration Expenditure (MEE), which involves the allocation of a premium or discount to past *relevant and effective expenditure* through the use of the Prospectivity Enhancement Multiplier (PEM). This involves a factor which is directly related to the success (or failure) of the exploration completed to date, during the life of the current tenements.

Guidelines for the selection of a PEM factor have been proposed by several authors in the field of mineral asset valuation (Onley, 1994). Table 44 lists the PEM factors and criteria used in this Report.

Table 44: PEM factors

PEM range	Criteria
0.2-0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation identified
0.5-1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0-1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity
1.3-1.5	Exploration has considerably increased the prospectivity (geological mapping, geochemical or geophysical activities)
1.5-2.0	Scout drilling (rotary air blast (RAB), aircore (AC), reverse circulation percussion (RCP)) has identified interesting intersections of mineralisation
2.0-2.5	Detailed drilling has defined targets with potential economic interest
2.5-3.0	A Mineral Resource has been estimated at Inferred JORC[7] category, no concept or scoping study has been completed
3.0-4.0	Indicated Mineral Resources have been estimated that are likely to form the basis of a Prefeasibility Study
4.0-5.0	Indicated and Measured Resources have been estimated and economic parameters are available for assessment

Geoscience Factors

Geoscience Factor method (GFM) seeks to rank and weight geological aspects, including proximity to mines, deposits and the significance of the camp and the commodity sought.

The Geoscience Factor (or Kilburn) method, as described by Kilburn (1990), provides an approach for the technical valuation of the exploration potential of mineral properties, on which there are no defined resources.

Valuation is based upon a calculation in which the geological prospectivity, commodity markets, and mineral property markets are assessed independently. The GFM is essentially a technique to define a Value based upon geological prospectivity. The method appraises a variety of mineral property characteristics:

- Location with respect to any off-property mineral occurrence of value, or favourable geological, geochemical or geophysical anomalies
- Location and nature of any mineralisation, geochemical, geological or geophysical anomaly within the property and the tenor of any mineralisation known to exist on the property being valued
- Number and relative position of anomalies on the property being valued
- Geological models appropriate to the property being valued.

The GFM systematically assesses and grades these four key technical attributes of a tenement to arrive at a series of multiplier factors (Table 48).

The Basic Acquisition Cost (BAC) is an important input to the GFM and it is calculated by summing the application fees, annual rent, work required to facilitate granting (e.g. native title, environmental etc.) and statutory expenditure for a period of 12 months. Each factor is then multiplied serially by the BAC to establish the overall technical value of each mineral property. A fifth factor, the market factor, is then multiplied by the technical value to arrive at the fair market value.

The standard references on the method (Kilburn, 1990; Goulevitch and Eupene, 1994) do not provide much detail on how the market factor should be ascertained. CSA Global takes the approach of using the implied value range from our selected Comparable Transactions to inform the selection of a GFM market factor. Our presumption is that the comparables are capturing the market sentiment, so any other valuation method should not be significantly different (order of magnitude).

[7] *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2012 Edition*. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

This is achieved by finding the market factor that produces an average GFM preferred value per unit area for whole project (i.e. total preferred GFM value divided by the total area) that falls within the range of the comparables implied values per unit area. It is CSA Global's view that this adequately accounts for global market factors on an empirical basis. For example, if the implied value range is \$100/km^2 to \$2,000/km^2, then the market factor should give an average GFM preferred value per unit area that falls within that range.

CSA Global generally would select a market factor (rounded to an appropriate number of significant digits) that gives a value closer to the upper end of the range (though this is the valuer's judgement call). This is because the GFM is a tool that addresses the exploration potential of a project and is best suited to informing the upper end of valuation ranges for a project.

Geological Risk Method

In the Geological Risk Valuation method, as described by Lord *et al.* (2001), the value of a project at a given stage of knowledge/development is estimated based on the potential value of the project at a later stage of development, discounted by the probability of the potential value of the later stage being achieved, and considering the estimated cost of progressing the project to the next stage.

The relevant stages of exploration are defined in Table 45.

Table 45: Definition of exploration stages

Stage	Description
Stage A	Ground acquisition, project/target generation
Stage B	Prospect definition (mapping and geochemistry)
Stage C	Drill testing (systematic RC, DD)
Stage D	Resource delineation
Stage E	Feasibility

The expected value (E) of a project at a given stage is then dependent on the target value at the next stage (T), the probability of successfully advancing the project to the next stage (P), and the cost of advancing the project (C). This can be expressed as:

$$E = P * (T - C)$$

This valuation method generates an expected value for each project (or prospect) at each of the main exploration stages or decision points, by working back from a Project's target value. A project's target value can be based on an expected NPV from a reasonably constrained discounted cash flow (DCF) model, or from a reasonable approximation of the value of a defined resource, in which case the initial target value will be the value at the end of Stage D, as opposed to the value at the end of Stage E.

Lord *et al.* (2001) concluded that the probability of successfully proceeding from one exploration phase to the following one was as depicted in Table 46, based on a detailed study of gold exploration programs in the Laverton area of Western Australia.

Table 46: Probability of successfully proceeding from one exploration stage to another

Stages	Probability of advancing
Generative to reconnaissance	0.54
Reconnaissance to systematic drill testing	0.17
Systematic drill testing to Resource delineation	0.58
Resource delineation to Feasibility	0.87
Feasibility to Mine	0.90

Source: Lord et al. (2001)

Market

Market Approach Method or Comparable Transactions looks at prior transactions for the property and recent arm's length transactions for comparable properties.

The Comparable Transaction method provides a useful guide where a mineral asset that is comparable in location and commodity has in the recent past been the subject of an "arm's length" transaction, for either cash or shares.

For the market approach resources are not generally subdivided into their constituent JORC Code categories. The total endowment or consolidated *in situ* resources are what drives the derivation of value. Each transaction implicitly captures the specific permutation of resource categories in a project. There are too many project specific factors at play to allow any more than a consideration of price paid versus total resource base. Therefore, considering individual project resource permutations is neither practicable nor useful for this valuation approach. To that end CSA Global's discussion of the market approach is predicated on the consolidated resource base, to allow application of the method.

In an exploration joint venture or farm-in, an equity interest in a tenement or group of tenements is usually earned in exchange for spending on exploration, rather than a simple cash payment to the tenement holder. The joint venture or farm-in terms, of themselves, do not represent the Value of the tenements concerned. To determine a Value, the expenditure commitments should be discounted for time and the probability that the commitment will be met. Whilst some practitioners invoke complex assessments of the likelihood that commitments will be met, these are difficult to justify at the outset of a joint venture, and it seems more reasonable to assume a 50:50 chance that a joint venture agreement will run its term. Therefore, in analysing joint venture terms, a 50% discount may be applied to future committed exploration, which is then "grossed up" according to the interest to be earned to derive an estimate of the Value of the tenements at the time that the agreement was entered into.

Where a progressively increasing interest is to be earned in stages, it is likely that a commitment to the second or subsequent stages of expenditure will be so heavily contingent upon the results achieved during the earlier phases of exploration that assigning a probability to the subsequent stages proceeding will in most cases be meaningless. A commitment to a minimum level of expenditure before an incoming party can withdraw must reflect that party's perception of minimum value and should not be discounted. Similarly, any up-front cash payments should not be discounted.

The terms of a sale or joint venture agreement should reflect the agreed value of the tenements at the time, irrespective of transactions or historical exploration expenditure prior to that date. Hence the current Value of a tenement or tenements will be the Value implied from the terms of the most recent transaction involving it/them, plus any change in Value as a result of subsequent exploration. Where the tenements comprise applications over previously open ground, little to no exploration work has been completed and they are not subject to any dealings, it is thought reasonable to assume that they have minimal, if any Value, except perhaps, the cost to apply for, and therefore secure a prior right to the ground, unless of course there is competition for the ground and it was keenly sought after. Such tenements are unlikely to have any Value until some exploration has been completed, or a deal has been struck to sell or joint venture them, implying that a market for them exists.

High quality Mineral Assets are likely to trade at a premium over the general market. On the other hand, exploration tenements that have no defined attributes apart from interesting geology or a "good address" may well trade at a discount to the general market. Market Values for exploration tenements may also be impacted by the size of the land holding, with a large, consolidated holding in an area with good exploration potential attracting a premium due to its appeal to large companies.

Yardstick

The Rule-of-Thumb (Yardstick) Method is relevant to exploration properties where some data on tonnage and grade exist and may be valued by methods that employ the concept of an arbitrarily ascribed current in-situ net value to any Ore Reserves (or Mineral Resources) outlined within the tenement (Lawrence, 2001 and 2012).

Rules-of-Thumb (Yardstick) methods are commonly used where a Mineral Resource remains in the Inferred category and available technical/economic information is limited. This approach ascribes a heavily discounted in-situ value to the Resources, based upon a subjective estimate of the future profit or net value (say per tonne of ore) to derive a rule-of-thumb.

This Yardstick multiplier factor applied to the Resources delineated (depending upon category) varies depending on the commodity. Typically, a range from 0.4% to 3% is used for base metals and PGM, whereas for gold and diamonds a range of 2% to 4.5% is used. The method estimates the in-situ gross metal content value of the mineralisation delineated (using the spot metal price and appropriate metal equivalents for polymetallic mineralisation as at the valuation date).

The chosen percentage is based upon the valuer's risk assessment of the assigned JORC Code's Mineral Resource category, the commodity's likely extraction and treatment costs, availability/proximity of transport and other infrastructure (particularly a suitable processing facility), physiography and maturity of the mineral field, as well as the depth of the potential mining operation.

This method is best used as a non-corroborative check on the order of magnitude of values derived using other valuation methods that are likely to better reflect project-specific criteria.

Income

The DCF/NPV method, as described by Lawrence (2000a), is particularly suitable for valuing mines (whether developing, operating, restarting or expanding) and pre-development projects (including advanced exploration prospects in certain cases), as it recognises the time value of money. Value can be derived with a reasonable degree of confidence by forecasting the cash flows that would accrue from mining the deposit, discounting to the present day and determining an NPV.

Key inputs to the financial model are the mineral resource or reserve base; suitably detailed capital and operating costs, including mining, processing and labour costs; commodity price and foreign exchange forecasts; royalty and tax rates; and an appropriate discount rate.

The Income Approach is not appropriate for properties without Mineral Resources. It should be employed only where sufficient reliable data are available to provide realistic inputs to a financial model, preferably based on studies at or exceeding a prefeasibility level.

Valuation Approaches by Asset Stage

Regardless of the technical application of various valuation methods and guidelines, the valuer should strive to adequately reflect the carefully considered risks and potentials of the various projects in the valuation ranges and the preferred values, with the overriding objective of determining the "fair market value".

Table 47 below shows the valuation approaches that are generally considered appropriate to apply to each type of mineral property.

Table 47: Valuation approaches for different types of mineral properties (VALMIN, 2015)

Valuation approach	Exploration properties	Mineral Resource properties	Development properties	Production properties
Income	No	In some cases	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases	No	No

Table 48: Geoscientific Factor rankings

Rating	Address/Off-property factor	On-property factor	Anomaly factor	Geological factor
0.5	Very little chance of mineralisation; Concept unsuitable to the environment	Very little chance of mineralisation; Concept unsuitable to the environment	Extensive previous exploration with poor results	Generally unfavourable lithology; No alteration of interest
1	Exploration model support; Indications of prospectivity; Concept validated	Exploration model support; Indications of prospectivity; Concept validated	Extensive previous exploration with encouraging results; Regional targets	Deep cover; Generally favourable lithology/alteration (70%)
1.5	Reconnaissance (RAB/AC) drilling with some scattered favourable results; Minor workings	Exploratory sampling with encouragement	Several early stage targets outlined from geochemistry and geophysics	Shallow cover; Generally favourable lithology/alteration 50-60%
2	Several old workings; Significant RCP drilling leading to advanced project	Several old workings; Reconnaissance drilling or RCP drilling with encouraging intersections	Several well-defined targets supported by recon drilling data	Exposed favourable; Lithology/alteration
2.5	Abundant workings; Grid drilling with encouraging results on adjacent sections	Abundant workings; Core drilling after RCP with encouragement	Several well-defined targets with encouraging drilling results	Strongly favourable lithology, alteration
3	Mineral Resource areas defined	Advanced Resource definition drilling (early stages)	Several significant sub-economic targets; No indication of 'size'	Generally favourable lithology with structures along strike of a major mine; Very prospective geology
3.5	Abundant workings/mines with significant historical production; Adjacent to known mineralisation at PFS stage	Abundant workings/mines with significant historical production; Mineral Resource areas defined	Several significant sub-economic targets; Potential for significant 'size'; Early stage drilling	
4	Along strike or adjacent to Resources at DFS stage	Adjacent to known mineralisation at PFS stage	Marginally economic targets of significant 'size' advanced drilling	
4.5	Adjacent to development stage project	Along strike or adjacent to Resources at DFS stage	Marginal economic targets of significant 'size' with well drilled Inferred Resources	
5	Along strike from operating major mine(s)	Adjacent to development stage project	Several significant ore grade co-relatable intersections	

Valuation Bibliography

AusIMM (1998): "VALMIN 94 – Mineral Valuation Methodologies". Conference Proceedings.

AusIMM (2012): "VALMIN Seminar Series 2011-12". Conference Proceedings, 161pp

CIMVAL (2003). Standards and Guidelines for Valuation of Mineral Properties.

Goulevitch, J and Eupene, G. (1994): "Geoscience Rating for Valuation of Exploration Properties - Applicability of the Kilburn Method in Australia and Examples of its Use in the NT". Mineral Valuation Methodologies Conference, Sydney 27-28 October 1994. AusIMM. pp 175-189

Gregg, L. T. and Pickering, S.M. Jr (2007). Methods for Valuing Previous Exploration Programs During Consideration of Prospective Mineral Ventures in 42nd Industrial Minerals Forum in Asheville, NC.

JORC, 2012. *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code)* [online]. Available from: http://www.jorc.org (The Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia).

Kilburn, L.C. (1990) "Valuation of Mineral Properties which do not contain Exploitable Reserves" CIM Bulletin, August 1990.

Lawrence, R.D. (2000). Valuation of Mineral Properties Without Mineral Resources: A Review of Market-Based Approaches in Special Session on Valuation of Mineral Properties, Mining Millennium 2000, Toronto, Canada.

Lawrence, M.J. (2000a). "DCF/NPV Modelling: Valuation Practice or Financial Engineering?". Preprint of a paper presented to SME Annual Meeting Valuation Session, Salt Lake City, 28 February to 4 March, 15 p.

Lawrence, M.J. (2001). An Outline of Market-based Approaches for Mineral Asset Valuation Best Practice. Proceedings VAMIN 2001 – Mineral Asset Valuation Issues for the Next Millennium. Pp115-137.AusIMM.

Lawrence, M.J. (2011). Considerations in Valuing Inferred Resources. VALMIN Seminar Series 2012. AusIMM. P93–102.

Lord, D., Etheridge, M., Wilson, M., Hall, G., and Uttley, P., 2001. Measuring Exploration Success: An alternate to the discovery-cost-per-ounce method of quantifying exploration effectiveness, Society of Economic Geologist Newsletter, 45

Onley, P.G. (2004). Multiples of Exploration Expenditure as a Basis for Mineral Property Valuation. In Mineral Valuation Methodologies Conference. AusIMM. pp191–197.

Thompson, I.S. (2000) A critique of Valuation Methods for Exploration Properties and Undeveloped Mineral Resources in Special Session on Valuation of Mineral Properties, Mining Millennium 2000, Toronto, Canada.

VALMIN, 2015. *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code)* [online]. Available from http://www.valmin.org (The VALMIN Committee of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists).

Appendix 2: Comparative Transactions

Table 49: Summary of comparative Bushveld Resource transactions

Transaction	Project	Date	Buyer	Seller	Equity	Transaction details	100% price (US$M)	Asset details	Limb	Reef	Stage	Classification	% above Inferred	Tonnes (Mt)	Grade 4E (g/t)	Contained 4E (Moz)	Implied $/oz 4E	Normalised $/oz 4E	Comment
Impala acquisition of Waterberg interest	Waterberg	Oct-17	Impala Platinum Holdings Ltd	Platinum Group Metals Ltd.; JOGMEC	15%	In October 2016, Platinum Group announced an agreement with Impala, whereby Impala could immediately purchase a 15% interest in the Waterberg PGE Project for US$30 million, have the option to increase its stake to 50.01% through additional purchases and earn-in arrangements totalling US$166 million following the completion of a DFS, and have the right of first refusal to smelt and refine Waterberg concentrate.	200.0	The Waterberg PGE Project had a total mineral resource of 315.5 Mt at 3.52 g/t 4E in the northern extension of the Northern Limb of the Bushveld Complex.	Extension to Northern Limb	Platreef	Feasibility	Reserves, Indicated, Inferred	69%	315.5	3.5	35.7	5.60	5.52	Undeveloped. Resource remained open down dip and along strike.
Sail acquisition of Smokey Hills	Smokey Hills	Sep-17	Sail Group (Pty) Ltd	African Thunder Platinum Ltd	100%	In September 2017, Sail Group agreed to purchase all the shares in Smokey Hills Platinum Mining (Mauritius), the company that holds the Smokey Hills project for US$24 million in shares.	24.0	The Smokey Hills project was in production between 2009 and 2012, with limited production reported in 2015 and 2016, but was on care and maintenance in September 2017. The total resource base was 4.18 Mt at 5.62 g/t 4E in the UG2 reef of the Eastern Limb of the Bushveld Complex.	Eastern	UG2	Production - care and maintenance	Reserves, Measured, Indicated	100%	4.2	5.6	0.8	31.79	29.92	Small remnant resource. Adjoining Garatau project, on up-dip extent of the UG2 reef.
Sylvania acquisition of Phoenix	Phoenix	Jul-17	Sylvania Platinum Limited	Pan African Resources plc	100%	In July 2017, Sylvania purchased the Phoenix project from Pan African for ZAR89 million (US$6.6 million).	6.6	The Phoenix project was an operating chrome tailings dump treatment project on the Western Limb of the Bushveld Complex. It had a total resource of approximately 5.9 Mt at 3.16 g/t 4E and included an operational PGM concentrator plant.	Western	Tailings	Production	Reserves, Measured, Indicated, Inferred	44%	5.9	3.2	0.6	11.00	10.86	Tailings dump operation.

Transaction	Project	Date	Buyer	Seller	Equity	Transaction details	100% price (US$M)	Asset details	Limb	Reef	Stage	Classification	% above Inferred	Tonnes (Mt)	Grade 4E (g/t)	Contained 4E (Moz)	Implied $/oz 4E	Normalised $/oz 4E	Comment
Royal Bafokeng acquisition of Maseve	Maseve	Sep-17	Royal Bafokeng Platinum Limited	Platinum Group Metals Ltd.	100%	In September 2017, Royal Bafokeng agreed to acquire the Maseve mine from Platinum Group Metals for approximately US$74 million (US$62 million in cash and US$12 million in shares).	74.0	The Maseve mine was on care and maintenance and had a resource of approximately 44.7 Mt at 4.6 g/t 4E. It is on the Western Limb of the Bushveld Complex, with the resource base including both the Merensky and the UG2 reefs.	Western	Merensky, UG2	Production - care and maintenance	Reserves, Measured, Indicated, Inferred	100%	44.7	4.6	6.7	11.12	10.47	Strategic transaction - Plant capacity acquired in this transaction allows earlier processing of material from Royal Bafokeng's adjacent Styldrift I project.
Northam acquisition of portion of Amandelbult	Portion of Amandelbult	Oct-16	Northam Platinum Limited	Anglo American Platinum Limited	100%	In October 2016, Anglo American announced the disposal of a mineral resources within a portion of the mining right of Amandelbult to Northam for ZAR1 billion.	72.2	The portion of the mining right for Amandelbult involved in the transaction included resources totalling approximately 16.7 Moz 4E bordering the west side of Northam's Zondereinde mine.	Western	Merensky, UG2	Feasibility	Inferred	0%			16.7	4.33	4.09	Resource was long-dated and outside of Anglo's long-term LOM plans. Resource accessible after short lead time from Northam's existing Zondereinde infrastructure, allowing Northam greater flexibility in mine plans.
Pilanesberg acquisition of Kruidfontein	Kruidfontein	Jan-14	Pilanesberg Platinum Mines (Pty) Ltd	Aquarius Platinum Ltd	90%	In January 2014, Pilanesberg Platinum purchased Aquarius's 90% interest in Kruidfontein for US$30 million.	33.3	Kruidfontein contained Indicated and Measured Resources of Merensky Reef and UG2 totalling 148.79 Mt at 6.64 g/t 4E.	Western	Merensky, UG2	Pre-Feasibility	Indicated, Inferred	9%	148.8	6.6	31.8	1.05	0.67	Query on attributable ounces.
Eastern Platinum consolidation of Pandora	Pandora	May-17	Eastern Platinum Limited	Northam Platinum Limited	8%	In May 2017, Eastern Platinum announced a deal to acquire the remaining 7.5% of Pandora that it did not already control, for ZAR45.57 million.	45.8	Pandora was an operating mine, with a total UG2 resource of 14.18 Mt at 4.65 g/t 4E.	Western	UG2	Operating	Reserves, Indicated, Inferred	Undisclosed	195.7	4.7	28.3	1.62	1.58	Operating. Strategic transaction - consolidated ownership.

Transaction	Project	Date	Buyer	Seller	Equity	Transaction details	100% price (US$M)	Asset details	Limb	Reef	Stage	Classification	% above Inferred	Tonnes (Mt)	Grade 4E (g/t)	Contained 4E (Moz)	Implied $/oz 4E	Normalised $/oz 4E	Comment
Eastern Platinum acquisition of Pandora interest	Pandora	Nov-16	Eastern Platinum Limited	Anglo American Platinum Limited	43%	In November 2016, Eastern Platinum announced a deal to acquire an additional 42.5% interest in the operating Pandora mine from Anglo American. Consideration was agreed at 20% of the distributable free cash flows generated by the Pandora E3 operations on an annual basis for a period of six years, subject to a minimum amount of ZAR400 million and a maximum amount of ZAR1 billion.	67.6	Pandora was an operating mine, with a total UG2 resource of 14.18 Mt at 4.65 g/t 4E.	Western	UG2	Operating	Reserves, Indicated, Inferred	Undisclosed	195.7	4.7	28.3	2.39	2.27	Operating. Strategic transaction - gaining control of the project allowed Lonmin to better unlock synergies with Lonmin's contiguous existing operations.
Northam acquisition of Eland	Eland	Feb-17	Northam Platinum Limited	Glencore plc	100%	In February 2017, Northam acquired the Eland mine from Glencore for ZAR175 million in cash.	13.3	Eland was a previously producing mine, with a resource base of 21.3 Moz 4E at a grade of 4.4 g/t.	Western	UG2	Production - care and maintenance	Reserves, Indicated, Inferred	Undisclosed		4.4	21.3	0.62	0.56	Included surface and underground infrastructure, including a concentrator plant, and a mining fleet in excess of 100 vehicles.
Northam acquisition of Everest	Everest	Feb-15	Northam Platinum Limited	Aquarius Platinum Ltd	100%	In February 2015, Northam acquired the Everest Mine from Aquarius for ZAR450 million in cash.	38.9	Everest was a previously producing mine, with a UG2 resource base of 3.11 Moz 4E at a grade of 3.33 g/t.	Eastern	UG2	Production - care and maintenance	Measured, Indicated, Inferred	96%	29.0	3.3	3.1	12.50	9.47	Included surface infrastructure and plant. Allowed Northam greater flexibility in accessing Northam's Booysendal Central and Booysendal South orebodies on the adjacent Booysendal mine.

Appendix 3: Geological Risk Valuation

Table 50: Geological Risk Method considering target NPV/oz

Resource	Current stage	Stage C			Stage D			Stage E			Target Value			Current value (US$M)
		Value at beginning of Stage (US$M)	Probability of proceeding to next stage	Cost to proceed to next stage (US$M)	Value at beginning of Stage (US$M)	Probability of proceeding to next stage	Cost to proceed to next stage (US$M)	Value at beginning of Stage (US$M)	Probability of proceeding to next stage	Cost to proceed to next stage (US$M)	Ounces (Moz 4E)	NPV /oz	NPV (US$M)	
Garatouw Merensky (remaining)	D		0.58		11.95	0.87	1.57	15.31	0.9	0.2	2.73	6.3	17.21	12.0
Garatouw UG2	D		0.58		39.38	0.87	3.86	49.13	0.9	0.5	10.93	5.04	55.09	39.4
Hoepakrantz Merensky	D		0.58		27.56	0.87	3.86	35.54	0.9	0.5	9.52	4.2	39.98	27.6
Hoepakrantz UG2	D		0.58		39.89	0.87	3.86	49.72	0.9	0.2	11	5.04	55.44	39.9
De Kom Merensky	C	-0.76	0.58	1	-0.30	0.87	2	1.65	0.9	0.35	0.52	4.2	2.18	0.0
De Kom UG2	C	0.27	0.58	1	1.46	0.87	2	3.68	0.9	0.35	0.88	5.04	4.44	0.3

Table 51: Geological Risk Method considering target resource value

Resource	Current stage	Stage C			Stage D			Stage E			Target Value			Current value (US$M)
		Value at beginning of Stage (US$M)	Probability of proceeding to next stage	Cost to proceed to next stage (US$M)	Value at beginning of Stage (US$M)	Probability of proceeding to next stage	Cost to proceed to next stage US$M)	Value at beginning of Stage US$M)	Probability of proceeding to next stage	Cost to proceed to next stage (US$M)	Ounces (Moz 4E)	US$/ oz	Target resource value (US$M)	
Garatouw Merensky (remaining)	D		0.58		6.95	0.87	1.57	9.56	0.9		2.73	3.5	9.56	7.0
Garatouw UG2	D		0.58		29.92	0.87	3.86	38.26	0.9		10.93	3.5	38.26	29.9
Hoepakrantz Merensky	D		0.58		25.63	0.87	3.86	33.32	0.9		9.52	3.5	33.32	25.6
Hoepakrantz UG2	D		0.58		30.14	0.87	3.86	38.50	0.9		11.00	3.5	38.50	30.1
De Kom Merensky	C	-0.67	0.58	1	-0.16	0.87	2	1.82	0.9		0.52	3.5	1.82	0.0
De Kom UG2	C	-0.04	0.58	1	0.94	0.87	2	3.08	0.9		0.88	3.5	3.08	0.0

Australia • Canada • Indonesia • Russia
Singapore • South Africa • United Kingdom

csaglobal.com

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

rsm.com.au

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM