

31 January 2019

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

QUARTERLY REPORT AND APPENDIX 5B FOR THE QUARTER ENDED 31 DECEMBER 2018

Nkwe Platinum Limited ("Nkwe Platinum" or "the Company") (ASX: NKP) is pleased to present its latest report on its activities for the quarter ended 31 December 2018 on the Company's operations in the Republic of South Africa.

Company Overview

The Company owns 74% of a Mining Right over the Garatau Project. The Garatau Project consists of three contiguous tenements Garatouw 282KT, Hoepakrantz 291KT and De Kom 252KT, located in the Eastern Limb of the Bushveld Complex, approximately 20 kilometres to the northwest of Steelpoort town and approximately 300km east-northeast of Johannesburg. Steelpoort town is an established mining district with extensive existing infrastructure. No mining tenements or beneficial percentage interests in farm-in or farm-out agreements were acquired or disposed of during the quarter.

The Garatouw Project is at a pre-development stage and a Definitive Feasibility Study (DFS) completed in 2010 and optimised in 2012, demonstrated the technical feasibility and commercial viability of extracting the mineral resources on Garatouw farm. The De Kom and Hoepakrantz farms are at an early exploration stage. The Company is busy with certain upfront preparations, including detailed engineering design, before commencement of project execution. These preparatory works constitute the Company's Early Works Programme ("EWP")

The critical mining regulatory authorisations such as the Mining Right and Environmental Authorisations and Water Use License ("WUL") have all been granted by relevant Government Departments.

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

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

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
UG2								
MEASURED	19.139	1.10	2.40	2.42	0.08	0.52	5.42	3.33
INDICATED	18.758	1.10	2.30	2.26	0.08	0.50	5.14	3.09
INFERRED	26.210	1.10	2.38	2.38	0.08	0.52	5.36	4.51
Sub-Total	64.107	1.10	2.36	2.36	0.08	0.51	5.31	10.93
Total	168.841							21.78

HOEPAKRANTZ 291KT								
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
UG2								
MEASURED	21.666	1.10					5.62	3.91
INFERRED	39.258	1.10					5.63	7.09
Sub-Total	76.155	1.1						11.00
Total	191.080							20.52

Note: No elemental splits for Hoepakrantz UG2.

De Kom 252KT								
CATEGORY	TONNES (M)	REEF WIDTH (m)*	Pt (g/t)	Pd (g/t)	Au (g/t)	Rh (g/t)	4E (g/t)	4E (Moz)**
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
UG2								
INFERRED	5.449	1.20	2.19	2.27	0.07	0.48	5.01	0.88
Sub-Total	5.449	1.20	2.19	2.27	0.07	0.48	5.01	0.88
Total	10.283							1.40

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

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

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

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

There are no exploration or mining activities currently taking place.

CORPORATE

Permitting

The Company has a Mining Right granted in February 2012 over the Garatau Project area, valid for chrome ore, cobalt, copper ore, nickel ore, gold and platinum group metals. The Mining Right was executed in January 2014 and subsequently registered at the Minerals and Petroleum Titles Registration Office, Pretoria in April 2018. The Mining Right has an effective date of 22 January 2014, being the date upon which the Environmental Management Programme for the Mining Right was approved in terms of Section 39(4) of the Minerals and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002) (“MPRDA”) and is valid for a period of 30 years from the effective date. Accordingly, the Mining Right will be in force until 21 January 2044. The Mining Right is renewable subject to an application for renewal being submitted to the Regional Manager not later than 60 working days prior to the date of expiry of this Right.

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

An approved Integrated Water Use Licence from the Department of Water and Sanitation in terms of the National Water Act was granted on 12 October 2017.

Bulk Services

Negotiations for long term arrangements and contracting with bulk utilities like Eskom, the national energy regulator and water (Lepelle Northern Water Board) are at an advanced stage. Both these resources are critical commodities that need to be thoroughly planned and designed for.

Power for shaft sinking and mine operation will be supplied by Eskom. Eskom is responsible for the land acquisition, environmental studies, survey, detail designs and construction of the assets. The budget quote is expected to be sent to Nkwe sometime during 2019.

Grid power from ESKOM will not affect the start-up of the Garatau Project. Construction power will be supplied by diesel generators with a capacity of 5MVA which would be more than sufficient for decline development and associated activities.

Bulk industrial and portable water supply to the project will be sourced from Lepelle Northern Water Board, a state-owned Water Service Provider.

Social Capital

According to Ernst & Young (EY) Mining and Metals recently released ranking of the top ten risks facing mining and metals in 2019 to 2020, the licence to operate or social licence ranked number 1. EY attributes this to the stakeholder landscape that is shifting. “There is more information, bigger platforms and more at stake than ever before. Underestimating the power of even a single stakeholder would be a mistake”. Therefore, the mine’s relationship with all its stakeholders, especially communities and government should be considered every bit as important as the mineral resource, mine design, or commodity price. Dealing with this issue requires a holistic and multi-disciplinary approach. As such, due to the unyielding senior leadership commitment to value creation and sustainability throughout the business and taking a whole of business approach to licence to operate from top down, the Company’s management is constantly in direct and indirect engagements with various stakeholders. These include Government, Tribal Council and Development forum members of the three host communities, amongst others. The engagements are aimed at building strong and long-lasting relationships with stakeholders to protect the value of the resource and build social capital.

Further, the Company is cognisant of its obligation in sharing the value that will be created by its flagship Garatau Project once it’s in operation, thus ensuring the promotion and advancement of social and economic welfare of our host communities and fulfilling one of the objectives of the MPRDA. To this end, the Company is progressing well with implementing all its Social and Labour Plan (“SLP”) commitments that can be executed before mining operations commence. During the reporting period, a tender for the upgrade of the community access road at Garatouw, which represents the Local Economic Development part of the SLP, was issued. The tender evaluation and adjudication processes were completed in December 2018. The successful tenderer was notified of the tender award in January 2019. Road construction is scheduled to commence on 1 February 2019.

The third Mining charter was gazetted by the Minister of Mineral Resources on 27 September 2018. On ownership, the Charter requires that a new Mining Right must have a minimum of 30% Black Economic Empowerment (“BEE”) shareholding, which shall include economic interest plus corresponding percentage of voting rights per Mining Right or in the mining company which holds a Mining Right. However, the existing Mining Right achieved a minimum of 26% BEE before gazetting of the third Mining Charter - including a right holder whose BEE partner has since exited - is recognised as compliant for the duration of the Mining Right. This recognition is not applicable upon renewal and is not transferrable to a new owner in the case of a transfer or sale. The Garatau Mining Right has and had 26% BEE, prior to gazetting of the Charter and is therefore considered compliant.

Amalgamation with Gold Mountains (Bermuda) Investment Limited

On 24 October 2018, a Special General Meeting of the Company was held to consider a resolution put to shareholders for the amalgamation of the Company with Gold Mountains (Bermuda) Investment Limited (“BidCo”). The resolution was passed on a poll with 22.47% dissenting votes.

During the reporting period, the Company reported on the implementation of the proposed amalgamation to the effect that a key “Gold Mountains Regulatory Approval” remained outstanding, being the Chinese regulatory approval to transfer funds/establish the Exchange Fund for the amalgamation consideration. The application for this approval was lodged by Bidco on 28 October 2018. No indication has been provided by BidCo as to the possible timing of such regulatory approval.

Further, BidCo has declined to confirm its willingness to proceed with the amalgamation transaction once the outstanding regulatory approval is obtained and continues to reserve its right to terminate the Amalgamation Agreement (refer to the Company’s announcement of 12 November 2018).

The Company will keep shareholders informed of any material developments regarding the amalgamation.

TENEMENT INFORMATION (ASX Listing Rule 5.3.3)

The table below shows the interests in tenements held by Nkwe Platinum Limited and is provided in accordance with ASX Listing Rule 5.3.3.

Location	License/Tenement Reference	Ownership
Limpopo Province, South Africa	Garatau Project (Garatouw 282KT, De Kom 252KT & Hoepakrantz 291KT)	74%

Nkwe Platinum Ltd is 70% owner of Nkwe Platinum SA Pty Ltd. Nkwe Platinum SA Pty Ltd agreed a BEE transaction with Blue Nightingale Trading 709 (Pty) Ltd so that it will own 30% of the issued capital of Nkwe Platinum SA Pty Ltd and has no direct interest in the Project areas.

COMPETENT PERSONS STATEMENTS

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

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

*D Subramani (Garatouw farm Merensky Reef)
K Lomberg (Garatouw farm UG2, De Kom property)
C Lemmer (Hoepakrantz farm UG2)
D MacGregor and Theodore Pegram (Hoepakrantz farm Merensky Reef)*

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

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

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

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

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

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

For further information, please contact:

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

NKWE PLATINUM LIMITED

ARBN

105 979 646

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(594)	(1,566)
(b) development	-	-
(c) production	-	-
(d) staff costs	(212)	(970)
(e) administration and corporate costs	(262)	(1,579)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	33	73
1.5 Interest and other costs of finance paid	(80)	(169)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,115)	(4,211)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(5)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	2
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2)	(3)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	6,400
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	6,400

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,355	3,184
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,115)	(4,211)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	6,400
4.5	Effect of movement in exchange rates on cash held	(82)	(214)
4.6	Cash and cash equivalents at end of period	5,156	5,156

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,939	3,155
5.2	Call deposits	2,217	3,200
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,156	6,355

6. Payments to directors of the entity and their associates

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

Current quarter \$A'000
99
-

Directors' fees – all payments are on normal commercial terms

7. Payments to related entities of the entity and their associates

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

Current quarter \$A'000
-
-

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	6,400	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

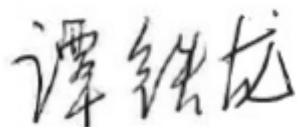
Unsecured loan from Gold Mountains (H.K.) International Mining Company Limited with interest rate 5% per annum. The loan facility has been fully drawn.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	350
9.2 Development	150
9.3 Production	-
9.4 Staff costs	250
9.5 Administration and corporate costs	300
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,050

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

Compliance statement

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



Sign here:

Managing Director

Date: 31 January 2019

Print name: Dr Tielong Tan

Notes

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