



## **Nkwe Platinum Limited**

**ARBN 105 979 646**

**and its controlled entities**

**Interim report for the half-year ended  
31 December 2014**

# Corporate directory

## Board of Directors

Mr Sharif Pandor	Non-Executive Chairman
Mr Abraham Li	Managing Director
Mr Maredi Mphahlele	Executive Director
Ms Mokganyentsi Sithole	Non-Executive Director
Mr Robin Wang	Non-Executive Director
Dr Dianmin Chen	Non-Executive Director

## Company Secretary

Ms Mokganyentsi Sithole  
Mr Keith Bowker

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Republic of South Africa  
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West Perth, Western Australia 6005  
Tel: +61 8 9481 8858  
Fax: +61 8 9481 3813

## Registered Office (Bermuda)

Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

## Share Registry (Australia)

Computershare Investor Services Pty Ltd  
Level 2, 45 St Georges Terrace  
Perth, Western Australia 6000  
Tel: +61 8 9323 2000  
Fax: +61 8 9323 2033

## Share Registry (Bermuda)

Codan Services Ltd  
Clarendon House, 2 Church Street  
Hamilton HM 11, Bermuda

## Auditors

Ernst & Young  
The Ernst & Young Building  
11 Mounts Bay Road  
Perth, Western Australia 6000

## Home Stock Exchange

ASX Limited  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth, Western Australia 6000

## ASX Codes

NKP

# Half year report for the half-year ended 31 December 2014

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## Directors' report

The directors of Nkwe Platinum Limited ("Nkwe" or "the Company") submit herewith the financial report of Nkwe Platinum Limited and its subsidiaries ("the Group") for the half-year ended 31 December 2014.

### Names of Directors

The names of the company's directors in office during the half-year and until the date of this report are as follows.

Mr Sharif Pandor  
 Mr Abraham Li  
 Mr Maredi Mphahlele  
 Ms Mokganyentsi Sithole  
 Mr Robin Wang  
 Dr Dianmin Chen

The above named directors held office during and since the end of the half-year except for:

Dr Dianmin Chen – appointed 1 October 2014  
 Mr Peter Landau – resigned 1 October 2014

### Review of operations

The loss of the Group for the half-year ended 31 December 2014, after providing for income tax, amounted to \$6,271,283 compared to a loss of \$2,721,876 for the half-year ended 31 December 2013. The loss of \$6,271,283 includes a non-cash component (impairment) of \$4,840,004.

### Corporate

The prospecting rights originally granted by the Minister for Mineral Resources in respect of the 2 farms comprising the Tubatse Project (namely, Eerste Geluk 327KT and Nooitvewacht 324KT) were set aside by the Supreme Court on 26 September 2014 resulting in the Company losing its indirect interest in the areas subject of the prospecting rights. Applications for leave to appeal were subsequently filed in the Constitutional Court of South Africa. The application has since been dismissed by the Constitutional Court of South Africa.

### Garatau Project

To date the Garatau Project in Limpopo Province, South Africa, comprising the farms De Kom 252KT, Garatouw 282KT and Hoepakrantz 291KT has independently estimated at total resource of 43.689 million ounces (Moz) of 3 PGE + Au (20.51 Moz from Hoepakrantz, 21.78 Moz from Garatouw and 1.40 Moz from De Kom). A technical feasibility and commercial viability of extracting these mineral resources has been demonstrated by the delivered definitive feasibility study. A summary of the Garatau Mineral Resource Statement is given in Table 1 below.

During November 2014, an independent update on the Hoepakrantz Merensky Reef resource estimate and classification was finalised, based on a wider mining height suitable for mechanised bord-and-pillar mining. This brought the Hoepakrantz Merensky Reef resource estimate in line with the mining method planned on the Garatouw farm. The Hoepakrantz resource estimate increased to 20.51 Moz of 3 PGE + Au from the previous 16.77 Moz of 3 PGE + Au.

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

During September 2014, the Company submitted the final environmental impact assessment report to the Department of Environmental Affairs and is awaiting the decision on the integrated environmental authorisation and waste management license. The Company also received a feasibility cost estimate from ESKOM, the national power utility, for delivery of an 80MVA service to the Garatau project for the mine operation. Eskom should be able to deliver grid power to the Garatau project by first quarter of 2018. The grid power from ESKOM will not affect the start-up of the project. Construction power will be supplied by diesel generators with a capacity of 5MVA which would be more than sufficient.

**Table 1: Garatau Project – Mineral Resource Statement**

<b>GARATOUW 282KT</b>				
	<b>Tonnage (Mt)</b>	<b>Mining cut (m) *</b>	<b>Estimated 4E Grade (g/t)</b>	<b>4E Metal Content (Moz) **</b>
<b>MEASURED</b>				
Merensky Reef	26.419	2.20	3.41	2.90
UG2 Reef	19.139	1.10	5.42	3.33
<b>TOTAL MEASURED</b>	<b>45.558</b>		<b>4.25</b>	<b>6.23</b>
<b>INDICATED</b>				
Merensky Reef	46.440	2.20	3.20	4.78
UG2 Reef	18.758	1.10	5.13	3.09
<b>TOTAL INDICATED</b>	<b>65.198</b>		<b>3.76</b>	<b>7.87</b>
<b>INFERRED</b>				
Merensky Reef	31.874	2.20	3.10	3.18
UG2 Reef	26.210	1.10	5.36	4.51
<b>TOTAL INFERRED</b>	<b>58.084</b>		<b>4.12</b>	<b>7.69</b>
<b>GARATOUW TOTAL</b>				
<b>All Categories</b>	<b>168.84</b>		<b>4.02</b>	<b>21.8</b>

<b>HOEPAKRANTZ 291KT</b>				
	<b>Tonnage after Geological Loss (M)</b>	<b>Mining cut (m) *</b>	<b>Estimated 4E Grade (g/t)</b>	<b>4E Metal Content (Moz) **</b>
<b>MEASURED</b>				
UG2 Reef	21.666	1.10	5.62	3.91
<b>INDICATED</b>				
Merensky Reef	72.787	2.31	2.53	5.92
<b>INFERRED</b>				
Merensky Reef	42.138	2.31	2.66	3.60
UG2 Reef	39.258	1.10	5.63	7.08
<b>TOTAL INFERRED</b>	<b>81.396</b>		<b>4.09</b>	<b>10.68</b>
<b>HOEPAKRANTZ TOTAL</b>				
<b>All Categories</b>	<b>175.849</b>		<b>3.63</b>	<b>20.51</b>

**Table 1 (Cont'd): Garatau Project – Mineral Resource Statement**

DE KOM 252KT				
	Tonnage after Geological Loss (M)	Mining cut (m) *	Estimated 4E Grade (g/t)	4E Metal Content (Moz) **
INFERRED				
Merensky Reef	4.834	1.20	3.33	0.52
UG2 Reef	5.449	1.20	5.01	0.88
DE KOM TOTAL				
<b>INFERRED</b>	<b>10.28</b>		<b>4.22</b>	<b>1.4</b>

\* 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.

### Pilanesberg Project

The project consists of two properties, Ruighoek and Rooderand, both located on the north-western rim of the Pilanesberg National Park, which are advanced stage exploration projects. A renewed converted prospecting right has been issued on this project.

The Pilanesberg project has been sold to JSE Listed Chrometco LTD (JSE: CMO). The conclusion of the deal is imminent pending a Section 102 Consent of the Mineral and Petroleum Resources Development Act application being granted to Chrometco.

Under the agreement, Nkwe would receive a total of 45 million shares in Chrometco in two tranches – effectively holding a 16% stake in Chrometco. 10 million shares were due to be issued to the Company following approval of the transaction by the Chrometco shareholders which occurred in November 2012. The Company is still to receive these 10 million shares however the value of these shares is recorded within receivables. The remaining 35 million shares are due to be received following the satisfaction of a number of condition precedent which is a Section 102 Consent of the Mineral and Petroleum Resources Development Act application being granted to Chrometco, which has not yet been achieved to the date of this report.

**Table 2: Rooderand - Mineral Resource Statement**

Mineralisation	Inclined Area (sq. m)	True Width (m)	Bulked Width (m)	Bulked SG	Tonnage before Geological Loss (M)	Geological Loss	Tonnage after Geological Loss (M)	Estimated 3PGE+Au Grade (g/t)	3PGE+Au Metal Content (Moz)
INDICATED									
UG2 / Pseudo / Merensky Reef	Included below	N/A	N/A	N/A	17.0	30%	11.9	3.8	1.5
INFERRED									
UG2 / Pseudo / Merensky Reef	3,530,000	N/A	N/A	N/A	35.4	30%	24.8	3.8	3.0

**Notes**

*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). The SAMREC Code and the SACNASP are 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 (Hoepakrantz farm Merensky Reef).*

*N Bleeker (Rooderand)*

*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.*

*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, 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.*

*Nico Bleeker was previously employed by the Company and is a member of the South African Council for Natural Scientific Professions at the time of calculating these resources.*

*All of the above have sufficient experience with the style of mineralisation and type of deposit under consideration and to the activity which is undertaken to be qualified as a Competent Person as defined in the 2012 edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.*

## Independent review report to members of Nkwe Platinum Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Nkwe Platinum Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with International Accounting Standards (IAS 34) and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the accompanying financial report does not present fairly the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complies with International Accounting Standard 34 *Interim Financial Reporting*. As the auditor of Nkwe Platinum Limited and the entities it controlled during the half-year, ASRE 2410 also requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the international professional ethical pronouncements.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Nkwe Platinum Limited and the entities it controlled during the half-year does not:

- a) present fairly the consolidated entity's financial position as at 31 December 2014 and its financial performance and cash flows for the half-year ended on that date; and
- b) comply with International Accounting Standard 34 *Interim Financial Reporting*.

## Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the financial report. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.



Ernst & Young



V L Hoang  
Partner  
Perth

16 March 2015

## Directors' declaration

In accordance with a resolution of the directors of Nkwe Platinum Limited, I state that:

In the opinion of the directors:

- a) the financial statements and notes of the Group:
  - i) give a true and fair view of the financial position as at 31 December 2014 and the performance of the Group for the half-year ended on that date; and
  - ii) comply with International Accounting Standard IAS 34; and
- b) subject to the achievement of the matters set out in Note 1, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**Mr Abraham Li**

**Managing Director**

16 March 2015  
Perth, Western Australia

# Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2014

	Note	Consolidated	
		Half-year ended	
		31 Dec 2014	31 Dec 2013
		\$	\$
<b>Continuing operations</b>			
Interest revenue		128,390	825
Other income		3,888	19,721
Exploration expenses		-	(345,748)
Administration and corporate expenses	3	(1,194,307)	(1,924,808)
Marketing expenses		-	(18,836)
Foreign currency exchange loss		(1,242)	(1,521)
Revaluation of listed shares in receivables		(81,760)	(70,426)
Impairment of prospects, rights and exploration assets	4	(4,840,004)	(86,885)
Revaluation of non-current assets classified as held for sale		(286,160)	(267,349)
<b>Loss before finance costs</b>		<b>(6,271,195)</b>	<b>(2,695,027)</b>
Finance costs		(88)	(26,849)
<b>Loss before income tax</b>		<b>(6,271,283)</b>	<b>(2,721,876)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(6,271,283)</b>	<b>(2,721,876)</b>
<b>Other comprehensive income, net of income tax</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Foreign currency translation – non-controlling interest		2,209,238	(1,277,483)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation – owners of the parent		5,154,889	(2,980,793)
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>7,364,127</b>	<b>(4,258,276)</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>1,092,844</b>	<b>(6,980,152)</b>
<b>Loss for the period attributable to:</b>			
Owners of Nkwe Platinum Limited		(6,004,956)	(2,418,533)
Non-controlling interests		(266,327)	(303,343)
		<b>(6,271,283)</b>	<b>(2,721,876)</b>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of Nkwe Platinum Limited		(850,067)	(5,399,326)
Non-controlling interests		1,942,911	(1,580,826)
		<b>1,092,844</b>	<b>(6,980,152)</b>
<b>Earnings per share attributable to the ordinary equity holders of the parent:</b>			
Basic and diluted (cents per share)		(0.67)	(0.40)

Notes to the consolidated financial statements are included on pages 12 to 16.

# Consolidated statement of financial position as at 31 December 2014

	Note	Consolidated	
		31 Dec 2014 \$	30 Jun 2014 \$
<b>Non-current assets</b>			
Prospects, rights and exploration assets	4	135,633,865	133,186,235
Property, plant and equipment		74,863	78,476
Other non-current assets		528,051	502,325
		136,236,779	133,767,036
Non-current assets classified as held for sale	5	295,400	562,018
<b>Total non-current assets</b>		<b>136,532,179</b>	<b>134,329,054</b>
<b>Current assets</b>			
Cash and cash equivalents		4,141,672	5,140,702
Receivables	12	8,405,525	9,152,760
Prepayments		104,553	46,174
<b>Total current assets</b>		<b>12,651,750</b>	<b>14,339,636</b>
<b>Total assets</b>		<b>149,183,929</b>	<b>148,668,690</b>
<b>Equity</b>			
<i><b>Equity attributable to equity holders of the parent</b></i>			
Share capital	7	77,488,679	77,488,679
Share premium		218,371,245	218,371,245
Equity reserve		36,255,917	36,255,917
Option reserve		4,814,623	4,814,623
Foreign currency translation reserve		(51,816,667)	(56,971,556)
Accumulated losses		(107,745,491)	(101,740,535)
Parent interests		177,368,306	178,218,373
Non-controlling interests		(29,317,682)	(31,260,593)
<b>Total equity</b>		<b>148,050,624</b>	<b>146,957,780</b>
<b>Current liabilities</b>			
Trade and other payables		865,335	1,515,530
Provisions		267,970	195,380
<b>Total current liabilities</b>		<b>1,133,305</b>	<b>1,710,910</b>
<b>Total equity and liabilities</b>		<b>149,183,929</b>	<b>148,668,690</b>

Notes to the consolidated financial statements are included on pages 12 to 16.

## Consolidated statement of changes in equity for the half year ended 31 December 2014

	Share capital \$	Share Premium \$	Other reserves \$	Option reserves \$	Translation reserve \$	Accumulated losses \$	Attributable to equity holders of the Parent \$	Non-controlling interests \$	Total \$
<b>Balance at 1 July 2013</b>	<b>75,091,662</b>	<b>199,703,435</b>	<b>35,577,011</b>	<b>4,814,623</b>	<b>(47,804,870)</b>	<b>(94,814,260)</b>	<b>172,567,601</b>	<b>(27,087,168)</b>	<b>145,480,433</b>
Loss for the period	-	-	-	-	-	(2,418,533)	(2,418,533)	(303,343)	(2,721,876)
Other comprehensive loss	-	-	-	-	(2,980,793)	-	(2,980,793)	(1,277,483)	(4,258,276)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,980,793)</b>	<b>(2,418,533)</b>	<b>(5,399,326)</b>	<b>(1,580,826)</b>	<b>(6,980,152)</b>
Issue of ordinary shares	1,900,000	-	-	-	-	-	1,900,000	-	1,900,000
Share issue costs	-	-	(16,174)	-	-	-	(16,174)	-	(16,174)
Value of conversion rights on convertible notes	-	-	458,018	-	-	-	458,018	-	458,018
<b>Balance at 31 December 2013</b>	<b>76,991,662</b>	<b>199,703,435</b>	<b>36,018,855</b>	<b>4,814,623</b>	<b>(50,785,663)</b>	<b>(97,232,793)</b>	<b>169,510,119</b>	<b>(28,667,994)</b>	<b>140,842,125</b>
<b>Balance at 1 July 2014</b>	<b>77,488,679</b>	<b>218,371,245</b>	<b>36,255,917</b>	<b>4,814,623</b>	<b>(56,971,556)</b>	<b>(101,740,535)</b>	<b>178,218,373</b>	<b>(31,260,593)</b>	<b>146,957,780</b>
Loss for the period	-	-	-	-	-	(6,004,956)	(6,004,956)	(266,327)	(6,271,283)
Other comprehensive income	-	-	-	-	5,154,889	-	5,154,889	2,209,238	7,364,127
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,154,889</b>	<b>(6,004,956)</b>	<b>(850,067)</b>	<b>1,942,911</b>	<b>1,092,844</b>
<b>Balance at 31 December 2014</b>	<b>77,488,679</b>	<b>218,371,245</b>	<b>36,255,917</b>	<b>4,814,623</b>	<b>(51,816,667)</b>	<b>(107,745,491)</b>	<b>177,368,306</b>	<b>(29,317,682)</b>	<b>148,050,624</b>

Notes to the consolidated financial statements are included on pages 12 to 16.

## Consolidated statement of cash flows for the half year ended 31 December 2014

	Note	Consolidated	
		Half-year ended	
		31 Dec 2014	31 Dec 2013
		\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(1,916,171)	(1,273,795)
Exploration expenditure		-	(345,748)
Interest received		132,278	825
Interest and other costs of finance paid		(88)	-
Net cash used in operating activities		(1,783,981)	(1,618,718)
<b>Cash flows from investing activities</b>			
Payments for prospects, rights and exploration		(1,075,607)	(302,748)
Payments for property, plant and equipment		(5,381)	(6,618)
Cash proceeds from related parties	11(a)	1,250,000	-
Net cash used provided by/(used in) investing activities		169,012	(309,366)
<b>Cash flows from financing activities</b>			
Proceeds from issue of equity securities		-	1,900,000
Proceeds from convertible notes		-	1,519,567
Repayment of borrowings		-	(185,000)
Issue costs associated with the convertible note		-	(247,197)
Net cash provided by financing activities		-	2,987,370
<b>Net increase in cash and cash equivalents</b>		<b>(1,614,969)</b>	<b>1,059,286</b>
Cash and cash equivalents at the beginning of the period		5,140,702	78,742
Effects of exchange rate fluctuations on cash and cash equivalents		615,939	(17,358)
<b>Cash and cash equivalents at the end of the period</b>		<b>4,141,672</b>	<b>1,120,670</b>

Notes to the consolidated financial statements are included on pages 12 to 16.

# Notes to the consolidated financial statements for the half year ended 31 December 2014

## 1. Basis of preparation and accounting policies

The consolidated financial statements of the Group, which comprises the Company, Nkwe Platinum Limited and its controlled entities at year end or from time to time during the half-year. The Company is listed on the Australian Securities Exchange (ASX). The Company was incorporated in Bermuda as an exempt company and it is subject to the Bermudian Companies Act 1981 as amended from time to time. The Company is domiciled in Bermuda.

### Statement of compliance

This general purpose condensed financial report for the half-year ended 31 December 2014 has been prepared in accordance with International Accounting Standard 34 (IAS 34).

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The half-year condensed financial report should be read in conjunction with the annual financial report of Nkwe Platinum Limited as at 30 June 2014. It is also recommended that the half-year financial report be considered together with any public announcements made by the company and its controlled entities during the half-year ended 31 December 2014 in accordance with the Group's continuous disclosure obligations.

The half-year financial report was authorised for issue by the directors on 16 March 2015.

### Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, modified, where applicable by the measurement at fair value of selected financial assets and liabilities. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2014 annual financial report for the financial year ended 30 June 2014, except for the impact of the Standards and Interpretations described below.

### Going concern

The half-year financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has incurred a net loss after tax for the half-year ended 31 December 2014 of \$6,721,283 (31 December 2013: \$2,721,876) and a net cash outflow from operations of \$1,783,981 (31 December 2013: \$1,618,718). As at 31 December 2014, the Group has net current assets of \$11,518,445 (30 June 2014: \$12,628,726). The Group's cashflow forecast through to March 2016 reflects that the Group will have sufficient working capital to meet its current committed and planned expenditure over this period on the basis:

- a portion of the monies loaned to Genorah Resources (Pty) Ltd ("Genorah") are received, which is in turn dependent upon the satisfaction of certain conditions set out in the sale transaction between Jin Jiang Mining Limited and Genorah; and
- Completion of a capital raising.

Should the Group be unable to materially achieve the matters set out above there is significant uncertainty as to whether the Group will be able to continue with its current planned exploration expenditure and meet its debts as and when they fall due and thus continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

### **Principles of consolidation**

The consolidated financial statements incorporate all assets, liabilities and results of the parent and all of its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Company. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

### **Significant accounting judgements and key estimates**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these half-yearly statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial report for the year ended 30 June 2014.

### **Changes in accounting policies**

The Group has adopted all new and amended accounting standards effective from 1 July 2014, including:

- IFRIC 21 Levies
- IAS 32 (Revised) Offsetting Financial Assets and Financial Liabilities
- IAS 36 (Revised) Recoverable Amount Disclosures for Non-Financial Assets
- Annual Improvements to IFRSs 2010–2012 Cycle
- Annual Improvements to IFRSs 2011–2013 Cycle

These amendments are effective for the Group for the first time during the current reporting period. The adoption of these amendments had no material impact on the financial position or performance of the Group.

## **2. Segment information**

For management purposes, the Group is organised into one main operating segment, which involves mining exploration for platinum. All of the Group's activities are interrelated and discrete financial information is reported to the board of directors (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

**3. Administration and corporate expenses**

	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	\$	\$
Directors fees	306,583	352,494
Corporate management	585,549	420,000
Other	302,175	1,152,314
	<b>1,194,307</b>	<b>1,924,808</b>

**4. Prospects, rights and exploration assets**

	<b>31 Dec 2014</b>	<b>30 Jun 2014</b>
	\$	\$
Balance at beginning of the period	133,186,235	145,048,670
Exploration costs capitalised	1,075,607	966,845
Prospects and rights impaired (i)	(4,840,004)	(86,885)
Effect of exchange rate variance	6,212,027	(12,742,395)
Balance at end of the period	<b>135,633,865</b>	<b>133,186,235</b>

Amortisation is not currently being charged pending the commencement of production. Accordingly, the carrying values are equivalent to cost.

The directors have reviewed all exploration projects for indicators of impairment in light of approved budgets. Where substantive expenditure is neither budgeted nor planned, the area of interest has been written down to its fair value less costs to sell. In determining fair value less costs to sell (by using a market comparison approach), the directors had regard to the best evidence of what a willing participant would pay in an arm's length transaction. Where no such evidence was available, areas of interest were impaired to nil pending the outcome of any future farm out arrangement. The Company will continue to look to attract farm-in partners and/or recommence exploration should circumstances change.

Nkwe Platinum Limited has previously reported DMR sponsored negotiations with Anglo Platinum Ltd ("APL") and African Rainbow Minerals ("ARM") to resolve a long standing dispute as to tenure across 9 farms including the 3 farms subject to the Mining Right. The Company has maintained that the dispute was resolved by agreement between the parties in 2008 (as publicly announced by all parties) but has pursued negotiations in good faith and in addition to efforts by the DMR to negotiate a quick and equitable resolution. It is the intention of Nkwe Platinum Limited and Genorah to continue to negotiate in good faith and attempt to resolve the final settlement issues outstanding.

The PAJA (Administrative Justice Act) review proceedings instigated by Anglo Platinum Limited and the Modikwa Joint Venture are ongoing and will be defended in the event that a settlement cannot be reached.

Nkwe Platinum Limited maintains that the legal tenure of the 3 farms cannot be abrogated and has received legal advice confirming this view.

(i) During the period ended 31 December 2014, the Group recognised an impairment expense of \$4,840,004 (30 June 2014: \$86,885). The impairment expense in the current reporting period relates to certain non-core assets where the Group has made the decision to discontinue and therefore the full remaining carrying value has been written down to nil.

**5. Non-current assets classified as held for sale**

	<b>31 Dec 2014</b>	<b>30 Jun 2014</b>
	\$	\$
Balance at beginning of the period	562,018	660,245
Impairment of assets held for sale	(286,160)	(35,126)
Foreign exchange movement	19,542	(63,101)
Balance at end of the period	295,400	562,018

During the prior year, the Company reached an agreement with Realm and JSE listed Chrometco Ltd (JSE: CMO) to alter the agreement that Nkwe Platinum Limited had with Realm with respect to the Company's Rooderand prospect. Under the agreement, Nkwe would receive a total of 45 million shares in Chrometco in two tranches – effectively holding a 16% stake in Chrometco. The condition of the first tranche (10 million shares) was satisfied following the approval at the Chrometco shareholders meeting and Nkwe transferring its geological data to Chrometco. At 31 December 2014, these shares had not yet been received and was therefore recognised as a receivable (refer to note 12).

The final 35 million shares is due upon satisfaction of a number of conditions precedent which includes the renewal of the prospecting right and a Section 102 Consent of the Mineral and Petroleum Resources Development Act application being granted to Chrometco.

As such, the Company has transferred the costs associated with the Rooderand assets from Prospects, Rights and Exploration assets to non-current assets classified as held for sale. The fair value of the asset held for sale has been determined with reference to the fair value of the 35 million shares receivable from Chrometco.

**6. Financial Instruments***Fair Value Measurement*

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits. Due to the short term nature of the financial assets and financial liabilities, the carrying value is considered to approximate the fair value.

At 31 December 2014 and 31 December 2013 the Group has no material financial assets and liabilities that are measured at fair value on a recurring basis.

**7. Share capital**

	<b>31 Dec 2014</b>	<b>30 Jun 2014</b>
	\$	\$
896,333,973 (30 June 2014: 896,333,973) authorised and issued fully paid ordinary shares with a par value of US\$0.01	77,488,679	77,488,679

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

**8. Commitments and contingencies**

Commitments and contingencies are of a similar nature as disclosed as at 30 June 2014. As at 31 December 2014, the Company has no significant commitments.

**9. Key management personnel**

Remuneration arrangements of key management personnel are disclosed in the annual financial report. Arrangements with related parties continue to be in place. For details of these arrangements, please refer to the 30 June 2014 annual financial report.

Key management personnel continue to receive compensation in the form of short term employee benefits, post-employment benefits and share-based payments. Agreements between the non-executive directors, managing director and the Company are in place and kept at the registered office of the Company.

**10. Subsequent events**

There has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**11. Related parties**

(a) An amount of \$1,250,000 was received during the half-year ended 31 December 2014 from Okap Ventures Pty Ltd ("Okap"). Mr Peter Landau is a director of Okap and resigned from Nkwe Platinum Ltd on 1 October 2014.

(b) An outstanding loan of \$5,489,236 included in receivables is repayable to Nkwe Platinum Ltd directly by Zijin on completion of the share purchase transaction subject to certain conditions precedent being satisfied. The receivable is unsecured, non-interest bearing with no fixed repayment terms. Please refer to the 2014 annual report for more information.

**12. Receivables**

	<b>31 Dec 2014</b>	<b>30 Jun 2014</b>
	<b>\$</b>	<b>\$</b>
Loan receivable from related parties (i)	2,760,004	3,499,685
Short term loan to related party (refer to note 11)	5,489,236	5,489,236
Chrometco shares receivable (refer to note 5)	84,400	160,576
Other current receivables	71,885	3,263
	<b>8,405,525</b>	<b>9,152,760</b>

(i) Included in receivables are amounts receivable from related parties of \$2,760,004 (30 June 2014: \$3,499,685). This comprises of short term receivable from related parties being Genorah of \$2,592,437 (30 June 2014: \$2,249,685) and Okap Ventures Pty Ltd ("Okap") of nil (30 June 2014: \$1,253,263) respectively. The amounts outstanding at 30 June 2014 are unsecured, non-interest bearing with no fixed repayment terms. The loan receivable from Okap at 30 June 2014 has been settled during the half-year period (refer to note 11a).