

24 March 2016

Dear Shareholders,

LOAN TO GENORAH RESOURCES (PTY) LIMITED

Further to its announcement of 18 March 2016, Nkwe Platinum Limited (ASX: NKP) (“Nkwe” or “the Company”) does not consider there has been any contravention of the requirements of Section 96 of the Companies Act 1981 of Bermuda (the “Act”) in respect of the loan made to Genorah Resources (Pty) Limited on 6 December 2013 (“Genorah Loan”).

A copy of advice received from Nkwe’s Bermudan legal advisors, Conyers Dill & Pearman is attached. This advice supports Nkwe’s position.

Further, the Company confirms that the Genorah loan has now been repaid in full (refer to ASX announcement dated 7 October 2015).

Whilst Nkwe and its auditors referred to the Genorah Loan as a related party transaction in its published financial statements, this was simply a result of the application of the relevant Accounting Standards. The Genorah Loan was not a related party transaction requiring shareholder approval for the purposes of section 96(4) of the Act.

Yours sincerely,



Kind regards
Zhilin Li

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23rd March 2016

Matter No.:383753
Doc Ref: 10981389v1

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Graham.collis@conyersdill.com

Nkwe Platinum Limited
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Attention: Mr. Scott Li

Dear Sirs,

Re: Section 96 of the Companies Act 1981 of Bermuda (the "Act")

We understand that Nkwe Platinum Limited ("Nkwe") made a loan to Genorah Resources (Pty) Limited ("Genorah") on 6th December 2013 and at the time of such loan, three directors of Nkwe beneficially owned or controlled shares of Genorah as follows:

1. Sharif Joseph Pandor - 12.36% of share capital.
2. Staff Sithole - 12.36% of share capital.
3. Maredi Mphahlele - 18.54% of share capital.

We further understand that each of the directors of Nkwe has confirmed to Nkwe that, at the time of making the loan he did not, and his spouse and children did not, together or alone, own or control directly or indirectly more than twenty per cent of the capital or loan debt of Genorah.

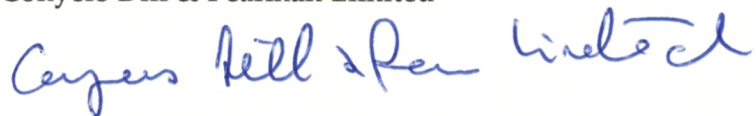
We attach herewith a copy of section 96 of the Act initialled by us for the purposes of identification.

In our opinion, the correct interpretation of section 96(4) of the Act is to look at each director individually. As such, section 96(4) does not require Nkwe to aggregate the holdings in Genorah of all directors of Nkwe for the purposes of the twenty per cent ownership thresholds referred to in that section.

Accordingly, based on the above shareholdings in Genorah, it is our opinion that the said loan to Genorah would not be deemed to be a loan to a Nkwe director for the purposes of section 96 of the Act.

Yours faithfully,

Conyers Dill & Pearman Limited



Graham B.R. Collis

Director

Att.

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96. PROHIBITION OF LOANS TO DIRECTORS WITHOUT CONSENT OF MEMBERS

(1) Without the consent of any member or members holding in the aggregate not less than nine-tenths of the total voting rights of all the members having the right to vote at any meeting of the members of the company it shall not be lawful for a company to make a loan to any person who is its director or a director of its holding company, or to enter into any guarantee or provide any security in connection with a loan made to such person as aforesaid by any other person:

Provided that nothing in this section shall apply –

- (a) subject to the next following subsection, to anything done to provide any such person as aforesaid with funds to meet expenditure incurred or to be incurred by him for the purposes of the company or for the purpose of enabling him properly to perform his duties as an officer of the company;
- (b) in the case of a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, to anything done by the company in the ordinary course of that business; or
- (c) to any advance of moneys by a company to an officer or auditor under section 98(2)(c).

(2) Proviso (a) to the foregoing subsection shall not authorise the making of any loan, or the entering into any guarantee, or the provision of any security, except either –

- (a) with the prior approval of the company given at a general meeting at which the purposes of the expenditure and the amount of the loan or the extent of the guarantee or security, as the case may be, are disclosed; or
- (b) on condition that, if the approval of the company is not given as aforesaid either-
 - (i) at or before the next following annual general meeting; or

- (ii) in the case of a company that has made an election under section 71A, at or before the next following general meeting, which shall be convened within 12 months of the authorisation of the making of the loan, or the entering into of the guarantee, or the provision of the security,

the loan shall be repaid or the liability under the guarantee or security shall be discharged, as the case may be, within six months from the conclusion of that meeting.

(3) Where the approval of the company is not given as required by any such condition, the directors authorizing the making of the loan, or the entering into the guarantee, or the provision of the security, shall be jointly and severally liable to indemnify the company against any loss arising therefrom.

(4) A loan shall be deemed to be a loan to a director if it is made to –

(a) the spouse or children of a director; or

(b) a company (other than a company which is a holding company or a subsidiary (wherever incorporated) of the company making the loan or, as the case may be, the company entering into guarantee or providing security in connection with a loan made to such person by any other person) which a director, his spouse or children own or control directly or indirectly more than twenty per cent of the capital or loan debt.

(5) For the purposes of this section a loan shall not be deemed to have been made in the ordinary course of business of a company if it has not been made on normal commercial terms in respect of interest rates, repayment terms and security.

(6) This section applies to a mutual company.