Nkwe Platinum Limited

ARBN 105 979 646

and its controlled entities

Financial report for the six months ended 31 December 2015

Corporate directory

Board of Directors

Dr Qixue Fang	Non-Executive Chairman
Mr Zhilin (Abraham) Li	Managing Director
Mr Richard Jones	Non-Executive Director
Mr Robin Wang	Non-Executive Director

Company Secretary
Mr Keith Bowker

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ASX Code
NKP

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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 six (6) months ended 31 December 2015 ("financial period"). The Company changed its financial year end date from 30 June to 31 December and this has necessitated the presentation of a financial report for the six month ended 31 December 2015. This financial report is prepared in accordance with the Bermudian Companies Act 1981.

Information about the directors

The names of the company's directors in office during or since the end of the financial period were:

Name	Particulars
Dr Qixue Fang (Appointed 7 October 2015)	Non-Executive Chairman, joined the Board in October 2015. Dr Fang is a highly 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; Vice Chairman, Head of Mining and Metals Coverage Asia of Standard Bank Plc, Hong Kong branch; member of Asia Exco, Manco of Standard Advisory (China) Limited and the Vice Chairman and Head of Mining and Metals Coverage Asia of Standard Advisory Asia.
Mr Zhilin (Abraham) Li	Managing Director, joined the Board in December 2013. Mr Li has over 26 years' experience in mining and investment activities. As a General Manager at Zijin Mining Group, he takes charge of the identification and evaluation of merger and acquisition opportunities relating to overseas mineral investments, as well as co-ordinating and managing Zijin's overseas operational projects.
Mr Richard Jones (Appointed 1 November 2015)	Non-Executive Director, joined the Board in November 2015. Mr Jones is a solicitor with over 15 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. He has worked for an international law firm as well as for one of the world's largest mining companies.
Mr Robin Wang	Non-Executive Director, joined the Board in May 2014. Mr Wang has worked at Zijin Mining Group in various roles since 2006 and is currently Legal Counsel, Deputy General Manager of Zijin's Overseas Development Division.
Dr Dianmin Chen (Resigned 1 November 2015)	Non-Executive Director, joined the Board in October 2014. Dr Chen was the CEO of Norton Gold Fields Limited (ASX: NGF) which was delisted from ASX on 1 July 2015. He was the COO of CITIC Pacific Mining Management Ltd, in which he was responsible for the development of a large magnetic ore mine in Western Australia. Dr Chen was the Vice President of Operations at Minco Silver Corporation and was the Executive Director and CEO of CaNickel Mining Limited. Dr Chen resigned on 1 November 2015.

Name	Particulars
Mr Sharif Pandor (Resigned on 7 October 2015)	Mr Pandor joined the Board in September 2006. Mr Pandor has community development experience spanning more than 21 years and serves on the boards of several mining and industrial companies. Mr Pandor resigned on 7 October 2015.
Mr Maredi Mphahlele (Resigned on 7 October 2015)	Mr Mphahlele joined the Board in June 2006. Mr Mphahlele has considerable experience in the fields of mining, project finance, manufacturing/engineering and community development. He has worked for large corporate such as De Beers and Industrial Development Corporation of South Africa. Mr Mphahlele resigned on 7 October 2015.
Ms Mokganyetsi Sithole (Resigned on 7 October 2015)	Ms Sithole joined the Board in November 2009. Ms Sithole is an experienced executive with senior level experience across private and public organisations spanning 16 years. She is a founder and current shareholder of South African Women in Mining (“SAWIMI”) and is extensively involved in women’s affairs throughout South Africa. Ms Sithole resigned on 7 October 2015.

Principal activities

The Group’s principal activities in the course of the financial period were the acquisition, exploration and development of platinum group and associated base metal projects. There has been no significant change in the nature of these activities.

Changes in state of affairs

During the financial period, there was no significant change in the state of affairs of the Group other than that referred to in the financial statements or notes thereto.

Subsequent events

On 14 January 2016, the Company announced that the Department of Environmental Affairs (DEA) granted the Environmental Authorisation (EA) for certain activities associated with the proposed Garatau Mine and associated infrastructure. The Company proposes to construct and operate an underground platinum mine located on the farm Remaining Extent (RE) of Garatouw 282 in the Limpopo Province. Maandagshoek will be host to some of the surface infrastructure including a portion of the plant and the tailings site facilities.

On 22 January 2016, the Company announced that it has been served with a writ of summons by International Petroleum Limited (formerly International Goldfields Limited) seeking $45,000,000 for the Company’s alleged breach of the 2009 Sale Agreement for the Tubatse Project. In response to this, the Company announced on 2 February 2016 that its solicitors have filed a Memorandum of Appearance in the Supreme Court of Western Australia.

On 25 February 2016, the Company announced that it has served a defence and counterclaim in relation to the writ of summons by International Petroleum Limited. The counterclaim seeks $10,000,000 from International Petroleum Limited on the basis that, by virtue of the 30 November 2010 decision by the Constitutional Court of South Africa to set aside the decision by the Department of Mineral Resources of South Africa to award prospecting rights to Genorah in relation to mineral farms Nooitverwacht 324KT and Eerste Geluk 327 KT, International Petroleum Limited (to whom Genorah sought to transfer the prosecting rights) has been and remains unable to perform its obligations under the Sale Agreement for the Tubatse Project.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial period 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.

Future developments

The Group's strategy is to add substantial shareholder value through the acquisition, exploration, development and commercialisation of platinum group and associated base metal projects.

Dividends

No dividends have been paid or declared since the start of the financial period and the directors have not recommended the payment of a dividend in respect of the financial period.

Directors' and officers' insurance

During the financial period, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above), the Company Secretary and all executive officers of the Company. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. In addition, the Company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by its auditors.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial period and the number of meetings attended by each director (while they were a director or committee member). During the financial period, 1 board meeting was held.

Directors	Held	Attended
Qixue Fang	1	1
Zhilin (Abraham) Li	1	1
Richard Jones	n/a[1]	n/a[1]
Robin Wang	1	1
Sharif Pandor	1	1
Maredi Mphahlele	n/a[1]	n/a[1]
Mokganyetsi Sithole	n/a[1]	n/a[1]

(1) These persons were not directors of the company at the time the board meeting was held.

Directors' shareholdings

The directors (or a related body corporate as at the date of this report) did not have any interest in shares and options in shares of the Company.

Operating and financial review

Operating results

The consolidated loss of the Group for the six months ended 31 December 2015, after providing for income tax, amounted to $ 24,328,167 (12 months ended 30 June 2015: $6,809,387). The consolidated loss for the six months ended 31 December 2015 includes an impairment expense of $23,458,072. Further discussions on the Group's operations is provided below:

Corporate

The Garatau Project consists of three contiguous properties Garatouw 282KT, Hoepakrantz 291KT and De Kom 252KT in Limpopo Province, South Africa, which is the focus of the Group's current mine construction project (Figure 1 below). To date the Garatau Project has independently estimated a total resource of 43.69million ounces (Moz) of 3 PGE + Au (20.51 Moz from Hoepakrantz, 21.78 Moz from Garatouw and 1.40 Moz from De Kom). A summary of the Garatau Mineral Resource Statement is given in Table 1 below.

This is a premium project with a total of ~1 Moz of Merensky reef resource, which is one of the largest remaining Merensky reef resource owned outside of the major platinum mining companies. The Merensky reef is well sought after in the industry mainly because it is much easier to process metallurgically and in the Garatau mining area it has the added advantage that it is wide, averaging 2.2 m, making it amenable to mechanized mining methods which are much cheaper compared to the traditional conventional narrow reef orebodies which have formed the backbone of traditionally major platinum mining companies. Further, it is well known that major players are abandoning narrow reef conventional mining in favour of exploiting the wide reef mechanized mines such as the Garatau Merensky project supporting the premium nature of the Garatau asset.

A technical feasibility and commercial viability of extracting these mineral resources has been demonstrated by the delivered definitive feasibility study. The Garatau Project is ready to commence mining as the critical mining regulatory authorisations such as the Mining Right and Environmental Authorisations are all in place.

There are no exploration activities currently taking place.

Permitting

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

On 4 December 2015, the Department of Environmental Affairs granted the environmental authorisation for the Garatau Mine.

The record of decision on the water use licence by the Department of Water and Sanitation is pending.

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 is busy with environmental authorisations for the Garatau grid power project. This will pave the way for lands and rights, and surveying processes to be completed before a budget quotation is finalised.

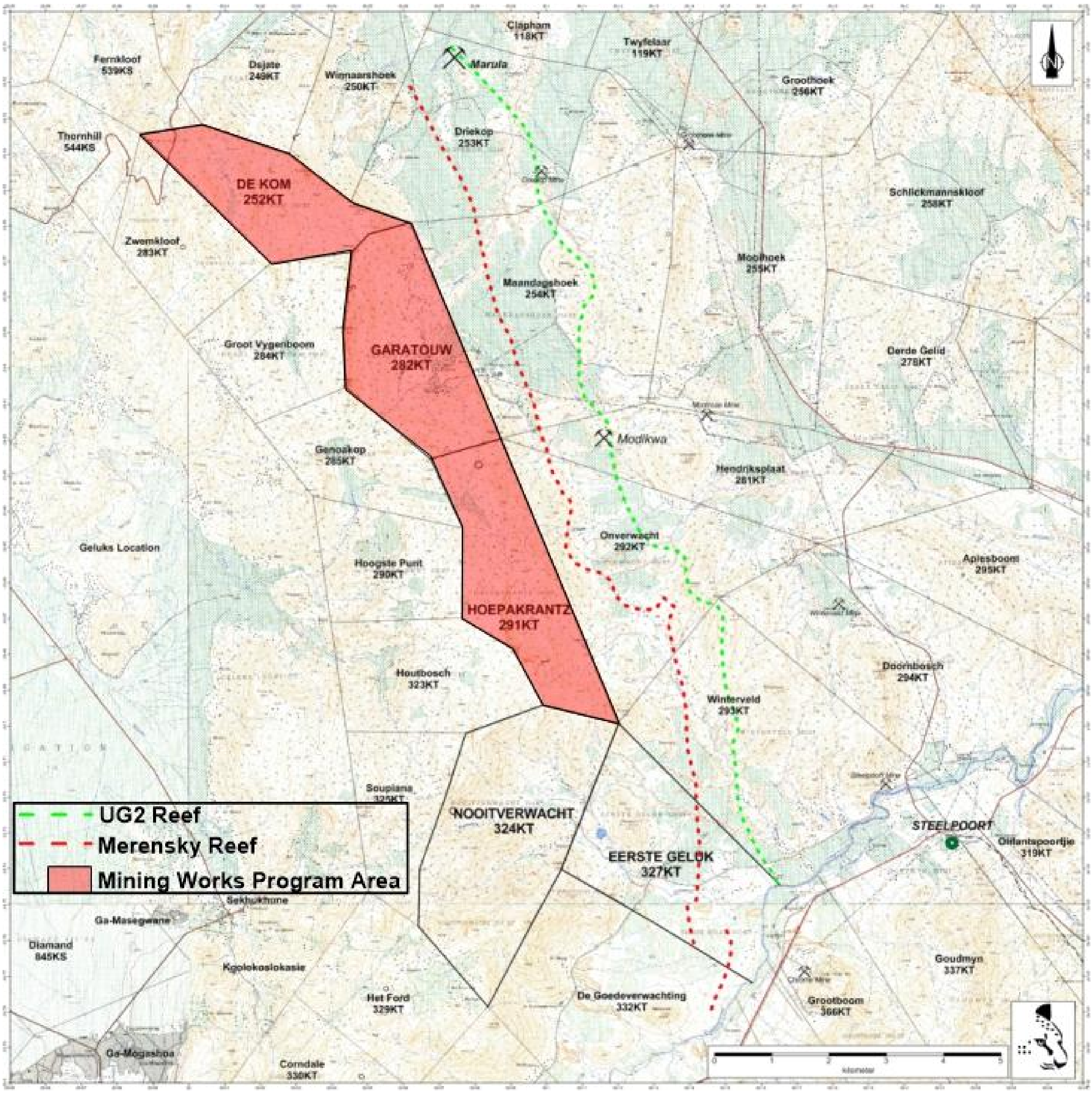

Figure 1: Location map of the Garatau project.

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)****
MERESNKY 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)****
MERESNKY 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	60.924	1.1						11.00
Total	175.849							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)****
MERESNKY 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 Company confirms that it is not aware of any new information or data that materially affects the information included in these original market announcements and that all material assumptions and technical parameters underpinning the ore resource estimate continue to apply and have not materially changed.

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

COMPETENT PERSONS STATEMENTS

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

The following Competent Persons with the appropriate qualifications and experience have been involved in the reporting of the mineral resources and have given their consent to the inclusion in this report of the matters based on their information in the form and context in which it appears:
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 Person's findings are presented have not been materially modified from the original market announcements.

Pilanesberg Project

The Rooderand project has been sold to JSE listed Chrometco LTD (JSE: CMO). 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 Department of Mineral resources granted Section 102 approval Consent to transfer the rights to Chrometco.

The Nkwe Chrometco transaction is now completed and Chrometco has issued the remaining 35 million shares to Nkwe.

Remuneration of key management personnel

For the six months ended 31 December 2015

	Short-term employee benefits		Post-employment benefits	Share-based payment	
	Salary & fees $	Other $	Superannuation $	Options $	Total $
Q Fang[1]	9,000	-	-	-	9,000
Z Li	150,000	-	-	-	150,000
R Jones[2]	6,000	-	-	-	6,000
R Wang	18,000	-	-	-	18,000
D Chen[3]	12,000	-	-	-	12,000
S Pandor[4, 5]	7,800	-	-	-	7,800
M Mphahlele[4]	60,000	-	-	-	60,000
M Sithole[4]	9,000	-	-	-	9,000
	271,800	**-**	**-**	**-**	**271,800**

[1] Appointed 7 October 2015

[2] Appointed 1 November 2015

[3] Resigned 1 November 2015

[4] Resigned 7 October 2015

[5] Mr Pandor's fees are paid in South African Rand. The amounts have been converted to Australian dollars based on exchange rates prevailing at the end of each month

For the financial year ended 30 June 2015

	Short-term employee benefits		Post-employment benefits	Share-based payment	
	Salary & fees $	Other $	Superannuation $	Options $	Total $
S Pandor[1]	100,079	-	-	-	100,079
Z Li	300,000	-	-	-	300,000
M Mphahlele	230,000	-	-	-	230,000
M Sithole	38,000	-	-	-	38,000
R Wang	36,000	-	-	-	36,000
D Chen[2]	27,000	-	-	-	27,000
P Landau[3]	-	-	-	-	-
	731,079	**-**	**-**	**-**	**731,079**

[1] Mr Pandor's fees are paid in South African Rand. The amounts have been converted to Australian dollars based on exchange rates prevailing at the end of each month

[2] Appointed 1 October 2014

[3] Resigned 1 October 2014

This directors' report is signed in accordance with a resolution of directors.

On behalf of the directors

Zhilin (Abraham) Li
Managing Director
Perth, 31 March 2016

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Independent audit report to the members of Nkwe Platinum Limited

We have audited the accompanying financial report of Nkwe Platinum Limited and the entities it controlled ("the consolidated entity"), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period 1 July 2015 to 31 December 2015, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the period.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of this financial report in accordance with International Financial Reporting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the company, and have met the independence requirements of Australian and International professional ethical pronouncements.

Auditor's Opinion

In our opinion, the consolidated financial report presents fairly, in all material respects, the financial position of the consolidated entity as at 31 December 2015, and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards.

Ernst & Young

Ernst & Young
Perth
31 March 2016

Directors' declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached consolidated financial statements and notes thereto are in compliance with International Financial Reporting Standards; and

(c) in the directors' opinion, the attached consolidated financial statements and notes thereto are in compliance with international financial reporting standards and presents fairly the financial position of the Group as at 31 December 2015 and of its performance for the six months period ended 31 December 2015.

Signed in accordance with a resolution of the directors

On behalf of the directors

Mr Zhilin (Abraham) Li

Managing Director

Perth, 31 March 2016

Consolidated statement of profit or loss and other comprehensive income for the six months ended 31 December 2015

	Note	Consolidated 6 months ended 31 Dec 2015 $	Restated 12 months ended 30 June 2015 $
Continuing operations			
Interest revenue		94,809	443,878
Other income		-	5,253
Administration and corporate expenses	6	(827,228)	(2,223,313)
Foreign currency exchange (loss)/gain		-	(1,268)
Revaluation of listed shares in receivables		-	(157,050)
Fair value loss on available for sale financial assets		(137,565)	-
Impairment of prospects, rights and exploration assets	8	(23,458,072)	(4,840,004)
Revaluation of non-current assets classified as held for sale		-	(36,645)
Loss before finance costs		**(24,328,056)**	**(6,809,149)**
Finance costs		(110)	(238)
Loss before income tax		**(24,328,166)**	**(6,809,387)**
Income tax expense	7	-	-
Loss for the period		**(24,328,166)**	**(6,809,387)**
Other comprehensive income/(loss), net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Foreign currency translation – non-controlling interest		-	-
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation – owners of the parent		(23,814,793)	8,318,213
Other comprehensive income/(loss) for the period, net of tax		(23,814,793)	**8,318,213**
Total comprehensive income/(loss) for the period		**(48,142,959)**	**1,508,826**
Loss for the period attributable to:			
Owners of Nkwe Platinum Limited		(24,229,744)	(6,524,014)
Non-controlling interests		(98,422)	(285,373)
		(24,328,166)	**(6,809,387)**
Total comprehensive income/(loss) attributable to:			
Owners of Nkwe Platinum Limited		(48,044,537)	1,794,199
Non-controlling interests		(98,422)	(285,373)
		(48,142,959)	**1,580,826**
Earnings per share attributable to the ordinary equity holders of the parent:			
Basic and diluted (cents per share)	12	(2.70)	(0.73)

Notes to the consolidated financial statements are included on pages 18 to 55.

Consolidated statement of financial position as at 31 December 2015

	Note	31 Dec 2015 $	Consolidated Restated 30 Jun 2015 $	Restated 30 Jun 2014 (1) $
Non-current assets				
Prospects, rights and exploration assets	8	92,183,406	138,610,247	133,186,235
Plant and equipment	9	45,284	65,048	78,476
Other non-current assets		440,959	531,542	502,325
Available for sale financial asset		475,740	-	-
		93,145,389	139,206,837	133,767,036
Non-current assets classified as held for sale	10	-	557,550	562,018
Total non-current assets		**93,145,389**	**139,764,387**	**134,329,054**
Current assets				
Cash and cash equivalents	25	7,848,474	797,829	5,140,702
Receivables	11	241,216	8,872,012	9,152,760
Prepayments		83,363	88,498	46,174
Total current assets		**8,173,053**	**9,758,339**	**14,339,636**
Total assets		**101,318,442**	**149,522,726**	**148,668,690**
Equity				
Equity attributable to equity holders of the parent				
Share capital	13	77,488,679	77,488,679	77,488,679
Share premium	14	218,371,245	218,371,245	218,371,245
Equity reserve	14	36,255,917	36,255,917	36,255,917
Option reserve	14	4,814,623	4,814,623	4,814,623
Foreign currency translation reserve	14	(94,021,934)	(70,207,141)	(78,525,354)
Accumulated losses	27	(132,494,293)	(108,264,549)	(101,740,535)
Parent interests		110,414,237	158,458,774	156,664,575
Non-controlling interests		(10,090,590)	(9,992,168)	(9,706,795)
Total equity		**100,323,647**	**148,466,606**	**146,957,780**
Current liabilities				
Trade and other payables	16	801,932	826,914	1,515,530
Provisions	15	192,863	229,206	195,380
Total current liabilities		**994,795**	**1,056,120**	**1,710,910**
Total equity and liabilities		**101,318,442**	**149,522,726**	**148,668,690**

Notes to the consolidated financial statements are included on pages 18 to 55.

(1) Refer to Note 28 for further details

Consolidated statement of changes in equity

For the year ended 30 June 2015	Share capital $	Share Premium $	Other reserves $	Option reserves $	Translation reserve $	Accumulated losses $	Attributable to equity holders of the Parent $	Non-controlling interests $	Total $
Balance at 1 July 2014									
As previously stated	77,488,679	218,371,245	36,255,917	4,814,623	(56,971,556)	(101,740,535)	178,218,373	(31,260,593)	146,957,780
Restatement adjustment (Note 28)	-	-	-	-	(21,553,798)	-	(21,553,798)	21,553,798	-
As restated	77,488,679	218,371,245	36,255,917	4,814,623	(78,525,354)	(101,740,535)	156,664,575	(9,706,795)	146,957,780
Loss for the year	-	-	-	-	-	(6,524,014)	(6,524,014)	(285,373)	(6,809,387)
Other comprehensive income									
Other comprehensive income as previously reported	-	-	-	-	5,822,749	-	5,822,749	2,495,464	8,318,213
Restatement adjustment (Note 28)	-	-	-	-	2,495,464	-	2,495,464	(2,495,464)	-
Other comprehensive income restated	-	-	-	-	8,318,213	-	8,318,213	-	8,318,213
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**8,318,213**	**(6,524,014)**	**1,794,199**	**(285,373)**	**1,508,826**
Balance at 30 June 2015	**77,488,679**	**218,371,245**	**36,255,917**	**4,814,623**	**(70,207,141)**	**(108,264,549)**	**158,458,774**	**(9,992,168)**	**148,466,606**

Notes to the consolidated financial statements are included on pages 18 to 55.

Consolidated statement of changes in equity (cont'd)

For the period ended 31 December 2015	Share capital $	Share Premium $	Other reserves $	Option reserves $	Translation reserve $	Accumulated losses $	Attributable to equity holders of the Parent $	Non-controlling interests $	Total $
Balance at 1 July 2015									
As previously stated	77,488,679	218,371,245	36,255,917	4,814,623	(51,148,807)	(108,264,549)	177,517,108	(29,050,502)	148,466,606
Restatement adjustment (Note 28)	-	-	-	-	(19,058,334)	-	(19,058,334)	19,058,334	-
As restated	77,488,679	218,371,245	36,255,917	4,814,623	(70,207,141)	(108,264,549)	158,458,774	(9,992,168)	148,466,606
Loss for the period	-	-	-	-	-	(24,229,744)	(24,229,744)	(98,422)	(24,328,167)
Other comprehensive loss	-	-	-	-	(23,814,793)	-	(23,814,793)	-	(23,814,793)
Total comprehensive (loss) for the period	**-**	**-**	**-**	**-**	(23,814,793)	(24,229,744)	(48,044,537)	(98,422)	(48,142,960)
Balance at 31 December 2015	**77,488,679**	**218,371,245**	**36,255,917**	**4,814,623**	**(94,021,934)**	**(132,494,293)**	**110,414,237**	**(10,090,590)**	**100,323,647**

Notes to the consolidated financial statements are included on pages 18 to 55.

Consolidated statement of cash flows for the six months ended 31 December 2015

	Note	Consolidated 6 months ended 31 Dec 2015 $	Consolidated 12 months ended 30 June 2015 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,204,394)	(3,877,384)
Interest received		94,809	449,131
Interest and other costs of finance paid		(110)	(238)
Net cash used in operating activities	25	(1,109,695)	(3,428,491)
Cash flows from investing activities			
Payments for prospects, rights and exploration		(353,992)	(2,675,729)
Payments for plant and equipment		(1,230)	(7,188)
Cash proceeds received from related parties		8,629,286	1,250,000
Net cash provided by /(used in) investing activities		8,274,064	(1,432,917)
Net increase/(decrease) in cash and cash equivalents		**7,164,369**	**(4,861,408)**
Cash and cash equivalents at 1 July		797,829	5,140,702
Effects of exchange rate fluctuations on cash and cash equivalents		(113,724)	518,535
Cash and cash equivalents at 31 December / 30 June	25	**7,848,474**	**797,829**

Notes to the consolidated financial statements are included on pages 18 to 55.

Notes to the consolidated financial statements for the six months ended 31 December 2015

1. General information

Nkwe Platinum Limited ("the Company") is incorporated in Bermuda as an exempt company and is subject to the Bermudian Companies Act 1981 as amended from time to time. The Company is listed on the Australian Securities Exchange (ASX) and is domiciled in Bermuda. These consolidated financial statements comprise the Company and its controlled entities (collectively "the Group").

The addresses of its registered offices and principal place of business are disclosed in the corporate directory to the financial report.

The Company changed its financial year end date from 30 June to 31 December and this has necessitated the presentation of a financial report for the six months ended 31 December 2015.

2. Application of new and revised Accounting Standards

New and revised Accounting Standards effective 1 July 2015

For the period ended 31 December 2015, the directors have reviewed all of the new and reviewed Standards and Interpretations issued by the International Accounting Standards Board that are relevant to the Group and effective for the current reporting period.

As a result of this review, the directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to the Group's policies

Accounting standards and interpretations issued but not yet effective

The following standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group at 31 December 2015 and the Group has not yet determined the impact on the financial statements

Standard	Title	Summary	Application date of standard	Application date for Group
IFRS 15	***Revenue from Contracts with Customers***	IFRS 15 *Revenue from Contracts with Customers* replaces the existing revenue recognition standards IAS 11 *Construction Contracts*, IAS 18 *Revenue.* IFRS 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments).The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract	1 January 2018	1 January 2018

Notes to the consolidated financial statements for the six months ended 31 December 2015

		(c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation		
IFRS 16	Leases	The key features of IFRS 16 are as follows: Lessee accounting • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • IFRS 16 contains disclosure requirements for lessees. Lessor accounting • IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. IFRS 16 supersedes: • IAS 17 Leases; • IFRIC 4 Determining whether an Arrangement contains a Lease; • SIC-15 Operating Leases—Incentives; and • SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as IFRS 16.	1 January 2019	1 January 2019

Notes to the consolidated financial statements for the six months ended 31 December 2015

<table>
<tr><td>IFRS 9</td><td>Financial Instruments</td><td>IFRS 9 (December 2014) is a new standard which replaces IAS 39.

This new version supersedes IFRS 9 issued in December 2009 (as amended) and IFRS 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018.

However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments.

Classification and measurement IFRS 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of IAS 39. There are also some changes made in relation to financial liabilities The main changes are described below.

Financial assets

• Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.
• Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
• Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

Financial liabilities

Changes introduced by IFRS 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option.</td><td>1 January 2018</td><td>1 January 2018</td></tr>
</table>

Notes to the consolidated financial statements for the six months ended 31 December 2015

		Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows: • The change attributable to changes in credit risk are presented in other comprehensive income (OCI) • The remaining change is presented in profit or loss IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount. *Impairment* The final version of IFRS 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. *Hedge accounting* Amendments to IFRS 9 (December 2009 & 2010 editions) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.		
Amendments to IAS 1	Disclosure initiative	The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 January 2016

Notes to the consolidated financial statements for the six months ended 31 December 2015

Amendm-ents to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation	IAS 16 Property Plant and Equipment and IAS 38 Intangible Assets both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 January 2016
Annual improvem-ents to IFRSs – 2012-2014 cycle	Amendmen-ts to International Financial Reporting Standards (2012-2014 cycle)	The subjects of the relevant principal amendments to the Standards are set out below: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: • Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or vice versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. IAS 34 Interim Financial Reporting: • Disclosure of information 'elsewhere in the interim financial report' - amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.	1 January 2016	1 January 2016

3. Significant accounting policies

3.1 Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial statements were authorised for issue by the directors on 31 March 2016.

Notes to the consolidated financial statements for the six months ended 31 December 2015

3.2 Basis of preparation

The financial statements of the Group, which comprises the Company, Nkwe Platinum Ltd, and the entities it controlled at year end or from time to time during the financial period, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). A list of the controlled entities is disclosed in note 17.

The financial statements are presented in Australian dollars (A$). The Company is listed on the Australian Stock Exchange and has raised funds in Australia. 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 not subject to the Australian Corporations Act 2001. The company is domiciled in Bermuda.

As at the date of reporting, Nkwe Platinum Ltd is a listed public company on the Australian Securities Exchange (ASX) with ticker code NKP.

The financial report has been prepared on the basis of historical cost, except for assets held for sale and available for sale financial assets which are measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries as at 31 December 2015. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holdings of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and

any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Notes to the consolidated financial statements for the six months ended 31 December 2015

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

<u>Interest income</u>

Interest income is recorded using the effective interest rate, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts though the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.5 Leasing

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

3.6 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with a maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the consolidated financial statements for the six months ended 31 December 2015

3.7 Foreign currencies

The Group's consolidated financial statements are presented in Australian dollars, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates for the period. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

3.8 Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Contributions to defined contribution superannuation plans are expensed when incurred.

Notes to the consolidated financial statements for the six months ended 31 December 2015

3.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the consolidated financial statements for the six months ended 31 December 2015

3.10 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. The following estimated useful lives are used in the calculation of depreciation:

- Computer equipment 3 – 7 years
- Office furniture and fittings 3 – 20 years
- Motor vehicles 5 years

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised

3.11 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets (excluding goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to dispose (FVLCD) and value in use. The FVLCD for each CGU is determined based on the net present value of the future estimated cash flows (expressed in real terms) expected to be generated from the continued use of the asset (based on the most recent life of mine plans), including any expansion projects, and its eventual disposal, using assumptions a market participant may take into account. These cash flows were discounted using a real post-tax discount rate that reflected current market assessments of the time value of money and the risks specific to the asset. The determination of FVLCD is a Level 3 valuation technique.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the consolidated financial statements for the six months ended 31 December 2015

3.12 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.13 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(a) Financial assets

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’ (FVTPL), ‘held-to maturity’ investments, ‘available-for-sale’ (AFS) financial assets and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Notes to the consolidated financial statements for the six months ended 31 December 2015

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group’s documented risk management or investment strategy and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 ‘Financial Instruments: Recognition and Measurement’ permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘other gains and losses’ line item.

AFS financial assets

Listed shares held by the Group that are traded in an active market are classified as AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is classified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group’s right to receive dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘loans and receivables’. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets that are carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

Notes to the consolidated financial statements for the six months ended 31 December 2015

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Notes to the consolidated financial statements for the six months ended 31 December 2015

3.14 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group of entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Notes to the consolidated financial statements for the six months ended 31 December 2015

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.15 Goods and services tax and Value added taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) or value added tax (VAT), except:

i. where the amount of GST or VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST or VAT.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

3.16 Prospects, rights and exploration assets

Mining assets comprise exploration costs, mining plant and equipment and mineral properties. Exploration costs on mineral exploration prospects are accumulated separately for each area of interest (an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proven to contain such a deposit) and are carried forward on the following basis:

i. each area of interest is considered separately when deciding whether and to what extent to carry forward or write-off exploration costs.

ii. rights to prospect in the area of interest are current, provided that such costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

iii. the carrying values of mineral exploration prospects are reviewed by directors where results of exploration of an area of interest are sufficiently advanced to permit a reasonable estimate of the costs expected to be recouped through successful developments and exploitation of the area of interest or by its sale. Expenditure in excess of this estimate is written-off to profit or loss in the period in which the review occurs.

iv. at each reporting date, management assesses whether there is any indication that exploration and evaluation expenditure carried forward may be impaired. If any such impairment exists, the carrying amount is written-down to the higher of fair value less costs to sell and value in use in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources.*

v. when these mining assets enter the production stage, these assets will be amortised on a life of mine basis.

Notes to the consolidated financial statements for the six months ended 31 December 2015

3.17 Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends)
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

3.18 Share-based payments

Share-based payments are accounted for in terms of IFRS 2. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments made to employees are expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Share-based payments relating to the issue of equity instruments are recognised directly in equity.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Fair value in relation to non-employees is determined by measuring the value of goods or services received by the Company at market price. If the fair value of the goods or services received cannot be estimated reliably, fair value is measured according to the fair value of equity instruments granted by use of the Black Scholes model. The expected life used in the model has been adjusted based on management's best estimate for the effects of volatility, exercise restrictions and discounting.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period on which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the consolidated financial statements for the six months ended 31 December 2015

Exploration and evaluation expenditure

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided certain conditions listed in note 3.16 are met. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. These calculations and reviews require the use of assumptions and judgement. Refer to Note 8 for further details.

Share based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined with the assistance of an external valuer using a Black Scholes model. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity. The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black Scholes model, taking into account the terms and conditions upon which the instruments were granted.

Functional currency

The functional currency for the parent entity, each of its subsidiaries, is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgements to determine the primary economic environment and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Income tax

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. No deferred tax asset has been recognised on tax losses carried forward.

Provision for uncertain legal exposures

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss.

5. Segment reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group only has one segment being, mineral exploration in South Africa. Accordingly, all significant operating disclosures 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.

6. Administration and corporate expenses

	6 months to 31 Dec 2015 $	12 months to 30 June 2015 $
Directors fees	264,000	630,583
Corporate management	264,498	1,105,489
Other expenses	298,730	487,241
	827,228	2,223,313

7. Income taxes

Income tax recognised in profit or loss	6 months to 31 Dec 2015 $	12 months to 30 June 2015 $
Current tax	-	-
Deferred tax	-	-
	-	-

Taxation for each jurisdiction is calculated at the rate prevailing in the respective jurisdictions as follows:

- Bermuda (domestic) 0%
- South Africa 28%
- Australia 30%

The income tax expense for the period can be reconciled to the accounting loss as follows:

	6 months to 31 Dec 2015 $	12 months to 30 June 2015 $
Loss before tax from continuing operations	(24,328,167)	(6,809,387)
Income tax expense calculated at 30% (30 June 2015: 30%)	(7,298,450)	(2,042,816)
Effect of different tax rates of group entities operating in a different jurisdiction	1,739,480	1,776,534
Effect of expenses that are not deductible in determining taxable loss	7,346,552	1,404,503
Deferred tax assets not brought to account	(42,757)	(773,179)
Effect of unused tax losses not recognised as deferred tax assets	(1,744,825)	(365,042)
	-	-

Tax losses

Unused tax losses for which no deferred tax asset has been recognised will be subject to the Company satisfying the requirements imposed by the regulatory taxation authorities. The benefits of deferred tax assets will only be recognised if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- The conditions for deductibility imposed by tax legislation continue to be complied with; and
- No changes in tax legislation adversely affect the Company in realising the benefit.

Notes to the consolidated financial statements for the six months ended 31 December 2015

8. Prospects, rights and exploration assets

	31 Dec 2015 $	30 June 2015 $
Opening balance	138,610,247	133,186,235
Exploration costs capitalised	353,992	2,675,729
Prospects and rights impaired	(23,458,072)	(4,840,004)
Effect of exchange rate variance	(23,322,761)	7,588,287
Closing balance	92,183,406	138,610,247

During the six months ended 31 December 2015, the Group recognised an impairment expense of $23,458,072. The impairment expense in the current reporting period relates to the following:

- $1,042,386 on 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. 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 Group will continue to look to attract farm-in partners and/or recommence exploration should circumstances change.
- $22,415,686 on the Group's flagship Garatau Project. In accordance with the Group's accounting policies and processes, the carrying value of capitalised Prospects, rights and exploration assets is reviewed for impairment in accordance with IFRS 6. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made in accordance with IAS 36. During the period, management concluded that sufficient data exist to indicate that, although a development of the Garatau Project is likely to proceed, the carrying amount of the Garatau Project is unlikely to be recovered in full from successful development or by sale. Accordingly, in accordance with IAS 36 and the Group's accounting policy, a formal estimate of the recoverable amount was made and a resultant impairment adjustment recorded.

Recoverability of Garatau Project

The fair value less cost to dispose of the Garatau Project was determined based on present valuing future cash flows. The future recoverability of the Group's Garatau Project is dependent on a number of key factors including; platinum and palladium price, discount rates used in determining the estimated discounted cash flows of CGUs, foreign exchange rates, the level of proved and probable reserves and measured, indicated and inferred mineral resources, future technological changes which could impact the cost of mining, and future legal changes (including changes to environmental restoration obligations). The costs to dispose have been estimated by management based on prevailing market conditions. Impairment is recognised when the carrying amount of the CGU exceeds its estimated recoverable amount.

Fair value is estimated based on discounted cash flows using market based commodity price and exchange rate assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, based on the definitive feasibility studies completed in prior years updated for changes in macro-economic inputs since then. Consideration is also given to recent comparable transactions and the market value of the Company's securities. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy.

Significant judgements and assumptions are required in making estimates of fair value. This is particularly so in the assessment of long life assets. CGU valuations are subject to variability in key assumptions including, but not limited to, long-term platinum and palladium prices, currency exchange rates, discount rates, production assumptions and operating costs. A change in one or more of the assumptions used to estimate fair value could reduce or increase a CGU's fair value.

Notes to the consolidated financial statements for the six months ended 31 December 2015

In determining the fair value of CGUs, future cash flows were discounted using rates based on the Group's estimated weighted average cost of capital. When it is considered appropriate to do so, an additional premium is applied with regard to the geographic location and nature of the CGU.

Any variation in the key assumptions used to determine fair value would result in a change of the assessed fair value and the resultant impairment loss recognised.

Key Assumptions

The table below summarises the key assumptions used in the year end carrying value assessments:

Construction period	5 years
First production	2021
Total expansion capital funding (including initial costs to develop the mine) (real)	Approximately $686 million
Discount rate % (post tax real)	13.6%
Mine life	30 years
Annual tonnes milled	3.6 million tonnes p.a.
Operating production cost (real)	ZAR 783/tonne
Selling price - platinum (long term real)	US$1,300/oz
Selling price - palladium (long term real)	US$850/oz
Platinum recoveries	88.7%
Palladium recoveries	85.1%
Long term exchange rate between ZAR: US$	ZAR14.62:US$1
Long term South Africa income tax rate	28%

Sensitivity Analysis

After effecting the impairments for the Garatau Project, the fair value of the assets is assessed as being equal to their carrying amount as at 31 December 2015.

Any variation in the key assumptions used to determine fair value would result in a change of the assessed fair value. If the variation in assumption had a negative or positive impact on fair value, it could indicate a requirement for additional impairment or reversal of impairments adjustment booked for the year ended 31 December 2015.

It is estimated that changes in the key assumptions would have the following approximate impact on the fair value of Garatau Project:

	Impairment / (Reversal)	
	Increase	Decrease
	$	$
2.5% change in platinum and Palladium price	(15,870,000)	15,870,000
1.0% change in discount rate	33,670,000	(22,416,000)

Notes to the consolidated financial statements for the six months ended 31 December 2015

It must be noted that each of the sensitivities above assumes that the specific assumption moves in isolation, while all other assumptions are held constant. In reality, a change in one of the aforementioned assumptions is usually accompanied with a change in another assumption, which may have an offsetting impact. Action is also usually taken by management to respond to adverse changes in economic assumptions that may mitigate the impact of any such change.

Ownership of exploration projects

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.

Recoverability of the carrying amount of prospects, rights and exploration assets is dependent on the successful development and commercial exploitation of areas of interest and the sale of minerals or the sale of the respective areas of interest.

Notes to the consolidated financial statements for the six months ended 31 December 2015

9. Plant and equipment

Carrying amounts of:	31 Dec 2015 $	30 June 2015 $
Computer equipment	9,110	12,596
Furniture and fittings	2,235	5,553
Motor vehicles	33,939	46,899
	45,284	65,048

	Computer equipment $	Furniture & fittings $	Motor vehicles $	Total $
Cost				
Balance at 1 July 2014	70,037	234,873	167,766	472,676
Additions	5,407	1,887	-	7,294
Exchange difference	3,668	18,779	7,545	29,992
Balance at 30 June 2015	79,112	255,539	175,311	509,962
Additions	1,230	-	-	1,230
Exchange difference	2,284	838	(2,534)	588
Balance at 31 December 2015	82,626	256,377	172,777	511,780
Accumulated depreciation				
Balance at 1 July 2014	56,081	225,988	112,131	394,200
Depreciation expense	5,569	4,257	8,736	18,562
Exchange difference	4,866	19,741	7,545	32,152
Balance at 30 June 2015	66,516	249,986	128,412	444,914
Depreciation expense	2,554	1,947	4,251	8,752
Exchange difference	4,446	2,209	6,175	12,830
Balance at 31 December 2015	73,516	254,142	138,838	466,496
Carrying amount				
Balance as at 30 June 2015	12,596	5,553	46,899	65,048
Balance as at 31 December 2015	9,110	2,235	33,939	45,284

Notes to the consolidated financial statements for the six months ended 31 December 2015

10. Non-current assets classified as held for sale

	31 Dec 2015 $	30 June 2015 $
Balance at beginning of the year	557,550	562,018
Impairment of assets held for sale	(137,565)	(36,645)
Foreign exchange movement	55,755	32,177
Eliminated on disposal	(475,740)	-
Balance at end of the year	-	557,550

During the prior year, the Company reached an agreement with Realm and JSE listed Chrometco Ltd (JSE: CMO) ("Chrometco") 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. 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 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 30 June 2015, these shares has not yet been received and were therefore recognised as a receivable (refer to note 11).

In September 2015, Chrometco advised that it has received a letter from the Department of Mineral Resources granting consent in terms of section 102 of the Mineral and Petroleum Resources Development Act No 28 of 2002 to include PGMs, base and other metals to the existing mining right for Chrometco over the remainder portion of Rooderand. This was a major milestone towards the completion of the sale. The transaction was settled on 9 November 2015.

The shares in Chrometco are reflected as available for sale financial assets.

11. Receivables

	31 Dec 2015 $	30 June 2015 $
Loan receivable from Genorah Resources (Pty) Ltd [(i)]	-	3,014,424
Short term loan receivable from Zijin Mining Group Ltd [(ii)]	-	5,489,236
Chrometco shares receivable (Note 10)	-	50,445
Other current receivables	241,216	317,907
	241,216	8,872,012

(i) The receivable of $3,014,424 from Genorah Resources (Pty) Ltd was settled by Zijin Mining Group Ltd following the completion of the share purchase transaction between Genorah Resources (Pty) Ltd and Zijin Mining Group Ltd.

(ii) $5,489,236 was receivable from Zijin Mining Group Ltd on completion of the share purchase transaction between Genorah Resources (Pty) Ltd and Zijin Mining Group Ltd subject to certain conditions precedent being satisfied. These conditions were satisfied during the period and the outstanding receivable was settled by Zijin Mining Group Ltd.

Notes to the consolidated financial statements for the six months ended 31 December 2015

12. Loss per share

	6 months to 31 Dec 2015 cents per share	12 months to 30 June 2015 cents per share
Basic and diluted loss per share	2.70	0.73

Basic and diluted loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	6 months to 31 Dec 2015 $	12 months to 30 June 2015 $
Loss for the year attributable to owners of the Company	(24,229,744)	(6,524,014)

	31 Dec 2015 No.	30 June 2015 No.
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	896,333,973	896,333,973

268,840,028 share options on issue at 31 December 2015 (30 June 2015: 268,840,028) are not considered dilutive as the conversion of options to ordinary shares will result in a decrease in the loss per share.

13. Share capital

	31 Dec 2015 $	30 June 2015 $
896,333,973 fully paid ordinary shares (30 June 2015: 896,333,973)	77,488,679	77,488,679

Movement in fully paid ordinary shares

	31 Dec 2015		30 June 2015	
	No.	$	No.	$
Opening balance	896,333,973	77,488,679	896,333,973	77,488,679
Closing balance	896,333,973	77,488,679	896,333,973	77,488,679

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

14. Share premium and reserves

	31 Dec 2015 $	30 June 2015 $
Share premium		
Opening balance	218,371,245	218,371,245
Premium on shares issued	-	-
Closing balance	218,371,245	218,371,245

The share premium is used to record the premium arising on the issue of shares calculated as the difference between the issue price and the par value.

Notes to the consolidated financial statements for the six months ended 31 December 2015

14. Share premium and reserves (cont'd)

Option reserves	31 Dec 2015 $	30 June 2015 $
Opening balance	4,814,623	4,814,623
Addition	-	-
Closing balance	4,814,623	4,814,623

The option reserve is used to record the proceeds received on issue of options to investors as part of the capital raising.

Equity reserves	31 Dec 2015 $	30 June 2015 $
BEE credentials reserve	19,690,253	19,690,253
Share based payment reserves (i)	16,565,664	16,565,664
	36,255,917	36,255,917

The BEE credentials reserve relates to the issue of shares in 2006 for the purposes of obtaining a sufficient black economic empowerment shareholding in the Company, so as to be compliant with mining legislation in South Africa. The related asset in respect of the BEE credential was subsequently fully impaired.

(i) Share based payment reserve	31 Dec 2015 $	30 June 2015 $
Opening balance	16,565,664	16,565,664
Fair value of share based payments	-	-
Closing balance	16,565,664	16,565,664

The share based payment reserve is used to recognise the value of equity benefits provided to directors as part of their remuneration and consultants as part of their compensation for services.

No options were issued in the current financial period (30 June 2015: nil).

Foreign currency reserve

The reserve issued to recognise exchange difference arising from translation of financial statements of foreign operations to Australian dollars.

15. Provisions

	31 Dec 2015 $	30 June 2015 $
Employee benefits	192,863	229,206

16. Trade and other payables

	31 Dec 2015 $	30 June 2015 $
Trade and other payables	483,314	467,426
Accrued expenses	318,618	359,488
	801,932	826,914

Notes to the consolidated financial statements for the six months ended 31 December 2015

17. Subsidiaries

Details of the Company's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Place of incorporation	Proportion of ownership interest and voting power held by the Group	
Parent entity		**6 months to 31 Dec 2015**	**12 months to 30 June 2015**
Nkwe Platinum Limited	Bermuda	n/a	n/a
Subsidiaries			
Nkwe Platinum (South Africa) (Pty) Ltd	South Africa	70%	70%
Nkwe Platinum (De Wildt) (Pty) Ltd	South Africa	70%	70%
Nkwe Platinum (De Wildt-2) (Pty) Ltd	South Africa	70%	70%
Nkwe Platinum (Bokfontein) (Pty) Ltd	South Africa	70%	70%
8 Mile Investments 226 (Pty) Ltd	South Africa	70%	70%
Nkwe Platinum (Rooderand) (Pty) (Ltd)*	South Africa	-	70%
8 Mile Investments 213 (Pty) Ltd	South Africa	70%	70%
Nkwe Platinum (Management) (Pty) (Ltd)	South Africa	70%	70%
Nkwe Platinum (Ruighoek) (Pty) Ltd	South Africa	67%	67%
Ruighoek Platinum (Pty) Ltd	South Africa	70%	70%
Nkwe Platinum (Tinderbox) (Pty) Ltd	South Africa	70%	70%
Nkwe Platinum (East) (Pty) Ltd	South Africa	70%	70%
Nkwe Platinum (Northam) (Pty) Ltd	South Africa	70%	70%
Nkwe Eastern Limb (Pty) Ltd	South Africa	100%	100%
Nkwe Platinum (Australia) Pty Ltd	Australia	100%	100%

* *refer to note 10*

The principal activities of the South African subsidiaries are the acquisition, exploration, development and commercialisation of platinum group and associated base metal projects in the Republic of South Africa. The principal activity of Nkwe Platinum (Australia) Pty Ltd is to provide corporate, consultancy and administration services to the Group.

Notes to the consolidated financial statements for the six months ended 31 December 2015

17.1 Details of non-wholly owned subsidiaries that have material non-controlling interests

Proportion of equity interest and voting rights held by non-controlling interests:

Name	Country of incorporation/Place of business	6 months to 31 Dec 2015	12 months to 30 June 2015
Nkwe Platinum (South Africa) (Pty) Ltd	South Africa	30%	30%

Name	Profit (loss) allocated to non-controlling interest		Accumulated non-controlling interest	
	6 months to 31 Dec 2015 $	12 months to 30 June 2015 $	6 months to 31 Dec 2015 $	12 months to 30 June 2015 $
Nkwe Platinum (South Africa) (Pty) Ltd	(98,422)	(285,373)	(10,090,590)	(9,992,168)

Summarised financial information in respect of the subsidiary is provided below. The summarised financial information below represents amounts before intragroup eliminations.

Nkwe Platinum (South Africa) (Pty) Ltd	6 months to 31 Dec 2015 $	12 months to 30 June 2015 $
Current assets	2,936,671	4,008,062
Non-current assets	99,967,875	132,954,770
Current liabilities	(129,241)	(205,756)
Non-current liabilities	(127,752,237)	(152,962,090)
Equity attributable to owners of the Company	(14,886,342)	(6,212,846)
Non-controlling interests	(10,090,590)	(9,992,168)

	6 months to 31 Dec 2015 $	12 months to 30 June 2015 $
Revenue	94,216	398,602
Reversal of rehabilitation provision	-	-
Administrative expenses	(284,614)	(1,155,894)
Impairment expenses	-	(36,645)
Other expenses	(138,116)	(157,306)
Loss for the year from continuing operations	(328,514)	(951,243)
Loss attributable to non-controlling interests	(98,422)	(285,373)

Notes to the consolidated financial statements for the six months ended 31 December 2015

18. Financial instruments

Capital management

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital management requires the maintenance of a strong cash balance to support ongoing exploration.

Given the nature of the business, the Group monitors capital on the basis of current business operations and cash flow requirements. There were no changes in the Group's approach to capital management during the year. The Group is not subject to any externally imposed capital requirements.

Categories of financial instruments

	31 Dec 2015 $	30 June 2015 $
Financial assets		
Cash and cash equivalents	7,848,474	797,829
Trade and other receivables	241,216	8,872,012
Non-current assets held for sale	-	557,550
Available for sale assets	475,740	-
	8,565,430	10,227,391
Financial liabilities		
Trade and other payables	801,932	826,914
	801,932	1,515,530

The fair value of the above financial instruments approximates their carrying values.

Financial risk management objectives

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of those risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the Group where such impacts may be material. The Board receives monthly financial reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, which optimising the return.

Notes to the consolidated financial statements for the six months ended 31 December 2015

Equity price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the statement of financial position as available for sale. The Group is not exposed to commodity price risk.

The following table provides a summary of the impact of increase/decrease of the Chrometco share price on the Group's pre-tax loss for the period. The analysis is based on the assumption that the share price had increased/decreased by 10% (30 June 2015: 10%) with all other variables held constant.

	Impact on loss (decrease)/increase	
	6 months to 31 Dec 2015	**12 months to 30 June 2015**
	$	**$**
Increase by 10%	(52,851)	(60,799)
Decrease by 10%	52,851	60,799

Interest rate risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents) which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The Group does not enter into any derivative instruments to mitigate this risk. As this is not considered a significant risk for the Group, no policies are in place to formally mitigate this risk.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's loss for the 6 months ended 31 December 2015 would increase/decrease by $78,485 (30 June 2015: $ 7,978).

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies

Notes to the consolidated financial statements for the six months ended 31 December 2015

Exposure to credit risk

The carrying value of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	31 Dec 2015 $	30 June 2015 $
Cash and cash equivalents	7,848,474	797,829
Loans and receivables	241,216	8,872,012
	8,089,690	9,669,841

Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

		Contractual cash flows			
	Carrying Amount	Less than 1 month	1-3 months	3-12 months	Total contractual cash flows
	$	$	$	$	$
31 Dec 2015					
Trade and other payables	801,932	801,932	-	-	801,932
30 June 2015					
Trade and other payables	826,914	826,914	-	-	826,914

Foreign currency risk

The Group is exposed to currency risk on investments, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The exposure at year-end is not material. The Group has not entered into any derivative financial instrument to hedge such transactions.

The parent's investments in its subsidiaries are not hedged as those currency positions are considered to be long term in nature.

Commodity price risk

The Group operates primarily in the exploration and evaluation phase and accordingly the Group's financial assets and liabilities are subject to minimal commodity price risk.

Notes to the consolidated financial statements for the six months ended 31 December 2015

19. Key management personnel

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	6 months to 31 Dec 2015 $	12 months to 30 June 2015 $
Short-term employee benefits	271,800	731,079

Short-term employee benefits

The compensation of each member of the key management personnel of the Group is set out in the remuneration table on page 8.

20. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to the remuneration table contained in the directors' report and note 19.

	6 months to 31 Dec 2015 $	12 months to 30 June 2015 $
Consulting fees paid to Okap Ventures Pty Ltd ("Okap"), a company in which Mr. Landau is a director for the provision of corporate advisory, capital raising, investor relation, CFO finance management services, ASX/ASIC compliance, company secretarial and associated services. Okap also provided facilities in both London and Perth	-	18,000
Exploration camp rental expenses paid to Brown Pebble Investment Pty Ltd, a company in which Mr. Mphahele has an interest	61,532	108,319
Consultancy fees paid to Nunobytes (Pty) Ltd, a company in which S Sithole is a director	-	57,409

During the course of the year, the Group collected the outstanding receivable from Genorah Resources (Pty) Ltd (Note 11), a company in which Mr. Mphahlele, Mr. Pandor and Ms. Sithole are directors and shareholders.

Directors' equity holdings

Ordinary shares	6 months to 31 Dec 2015	12 months to 30 June 2015
Opening balance	-	665,000
Reversal upon resignation	-	(665,000)
Closing balance	-	-

No options were held by directors or their related parties (30 June 2015: nil)

Notes to the consolidated financial statements for the six months ended 31 December 2015

Other related party transactions

For details of other related party transactions, refer to note 11.

Okap Parties Settlement

In or about 3 September 2014, the Company executed a Settlement and Release Deed ("Settlement Deed") with Okap Ventures Pty Ltd, Komodo Capital Pty Ltd, Doull Holdings Pty Ltd and Peter Neil Landau (collectively "Okap Parties").

The Settlement Deed was expressed to be conditional upon the satisfaction (or waiver) of a number of conditions precedent within certain time frames ("Conditions"). Not all of those Conditions have been satisfied or waived by the Company with the result that the full terms of Settlement Deed have not become operative.

The substance of the Settlement Deed provided for:

(a) the resignation of Peter Landau as a director of the Company upon the earliest of:

  (i) completion of the audit process for the Company's financial accounts for the year ended 30 June 2014;
  (ii) failure of any of the Conditions;
  (iii) a breach of the Settlement Deed by any of the Okap Parties; or
  (iv) settlement taking place under the Settlement Deed.

(b) the agreements and arrangements between the Company and the Okap Parties terminating on settlement taking place under the Settlement Deed;

(c) Payment of $1,250,000 by Okap Parties;

(d) Okap Parties delivering to the Company a draft sale agreement within 15 days of the execution of the Settlement Deed, whereby the Company agrees to acquire 10% legal and beneficial interest in the Hoepakrantz 291KT project for $2,500,000 which was held in trust by Okap Parties;

(e) the Okap Parties releasing and discharging the Company, its related bodies corporate and their respective officers and employees from any claims upon the earliest of:

  (i) failure of any of the Conditions;

  (ii) a breach of the Settlement Deed by any of the Okap Parties; or

  (iii) settlement taking place under the Settlement Deed;

(f) the Company, its related bodies corporate and their respective officers and employees releasing the Okap Parties upon settlement taking place under the Settlement Deed from any claims in respect of a corporate management services agreement and an executive services agreement with the Company.

Mr Landau duly resigned on 1 October 2014 and Okap Parties also ceased to provide corporate, financial and company secretarial services as detailed in the settlement deed. So, by 1 November 2014 the substance of the Settlement Deed, at least in terms of paragraphs (a) and (b) above, had taken place.

The payment of $1,250,000 by Okap Parties was received by the Company in three (3) tranches during the month of September 2014, thereby satisfying paragraph (c) above.

Notes to the consolidated financial statements for the six months ended 31 December 2015

Paragraphs (e) and (f) are yet to be satisfied. The Company has issued a demand to the Okap Parties for payment of the $2,500,000 held in trust for the Company.

21. Commitments for expenditure

	6 months to 31 Dec 2015	12 months to 30 June 2015
Leasing commitments	$	$
Leasing arrangements for rental of office space		
Not longer than 1 year	77,606	89,574
Longer than 1 year and not longer than 5 years	106,240	175,783
	183,846	265,357

22. Contingent liabilities and contingent assets

On 2 October 2015, International Petroleum Limited ("IPL") filed proceedings in the Supreme Court of Western Australia against NKWE Platinum Ltd ("Nkwe"), being Civil Proceedings 2571 of 2015.

IPL served the proceedings on Nkwe at its office in West Perth on or about 20 January 2016. Nkwe has engaged HopgoodGanim Lawyers to represent Nkwe in defending the proceedings.

IPL's Claim

On or about 4 October 2009, IPL and Nkwe entered into a Sale Agreement, in which Nkwe agreed to purchase from IPL a 15% interest in the Tubatse Project, which was comprised of mineral farms Hoepakrantz 291KT, Nooitverwacht 324KT and Eerste Geluk 327KT for the sum of $60,000,000.

IPL relevantly alleges that:

1) the interest being sold was an interest in "prospective mining tenements" for each of the mineral farms;
2) in accordance with the Sale Agreement, Nkwe made a first payment of $10,000,000 to IPL on or about 21 December 2009;
3) in accordance with the Sale Agreement, IPL transferred 5% of the Tubatse Project on 23 December 2009; and
4) in breach of the Sale Agreement, Nkwe has failed to pay the remainder of the sale price.

Between March 2011 and August 2012, IPL and Nkwe entered into four (4) written deeds of variation, to vary the payment terms under the Sale Agreement. The effect to the variations was that IPL and Nkwe relevantly agreed that:

1) the final payment owed by Nkwe for the transfer of 10% interest be varied to $45,000,000; and
2) Nkwe shall pay IPL $45,000,000 by 31 December 2012.

Nkwe did not pay IPL $45,000,000.

IPL alleges that it remains ready, willing and able to perform its obligations under the Sale Agreement and therefore claims payment of $45,000,000 from Nkwe or in the alternative, damages.

Notes to the consolidated financial statements for the six months ended 31 December 2015

22. Contingent liabilities and contingent assets (cont'd)

NKWE's Defence
HopgoodGanim Lawyers are still investigating the facts surrounding the Sale Agreement and the transfer of interests by IPL.

However, Nkwe's defence is currently based on the following:

1) sometime in or prior to 2006, the South African Department of Mining and Energy granted to Genorah Resources (Pty) Ltd prospecting rights in Hoepakrantz 291KT, Nooitverwacht 324KT and Eerste Geluk 327KT, in terms of section 16 of the *Mineral and Petroleum Resources Act 2002* (South Africa);
2) sometime in either 2006 or 2007, Genorah transferred a 15% interest in its prospecting rights to IPL; and
3) on 30 November 2010, the Constitutional Court of South Africa set aside the decision of the Department of Mining and Energy to grant to Genorah prospecting rights in Nooitverwacht 324KT and Eerste Geluk 327KT.

As such, as at 30 November 2010, neither Genorah, IPL nor Nkwe, retained its interest in Nooitverwacht 324KT and Eerste Geluk 327KT.

It is therefore Nkwe's position that, as IPL was unable to transfer the interests, as agreed under the Sale Agreement, the agreement was voidable and Nkwe is not required to pay IPL the sums agreed. Nkwe has elected to void the Sale Agreement.

At this stage, it is too early to determine the likely outcome of the proceedings at this stage. Once HopgoodGanim Lawyers have completed their investigations, they will be in a better position to provide advice as to the prospect of success or settlement in the proceedings.

Nkwe intends to defend the action.

Other than the matters described above, there are no other significant contingencies at balance date in the current or prior reporting periods.

23. Remuneration of auditors

Auditor of the Group

	6 months to 31 Dec 2015	12 months to 30 June 2015
Audit and review of financial reports	$	$
Ernst & Young Australia	28,000	53,590
Ernst & Young South Africa	24,110	54,396
	52,110	107,986

Notes to the consolidated financial statements for the six months ended 31 December 2015

24. Options

The following option arrangement was in existence at the reporting date:

Option series	Number	Grant date	Exercise price $	Expiry date	Vesting date
1	268,840,028	various[i]	0.100	31 Mar 2016	Vested

[i] 19,130,413 options were issued during the 2014 financial year and 249,709,615 options were issued during the 2013 financial year.

There has been no alteration of the terms and conditions of the above option arrangement since the grant date.

Movements in options during the period

The following reconciles options outstanding at the beginning and end of the period:

	6 months to 31 Dec 2015		12 months to 30 June 2015	
	Number of options No.	Weighted average exercise price $	Number of options No.	Weighted average exercise price $
Opening balance	268,840,028	0.100	268,840,028	0.100
Granted during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Closing balance	**268,840,028**	**0.100**	**268,840,028**	**0.100**
Exercisable at end of the period	**268,840,028**	**0.100**	**268,840,028**	**0.100**

Options outstanding at the end of the period

Options outstanding at the end of the 6 months period ended 31 December 2015 had a weighted average exercise price of $0.100 (30 June 2015: $0.100) and a weighted average remaining contractual life of 91 days (30 June 2015: 275 days).

25. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	31 Dec 2015 $	30 June 2015 $
Cash and bank balances	7,848,474	797,829

Notes to the consolidated financial statements for the six months ended 31 December 2015

25. Cash and cash equivalents (cont'd)

Reconciliation of cash flows from operating activities	6 months to 31 Dec 2015 $	12 months to 30 June 2015 $
Cash flow from operating activities		
Loss for the year	(24,328,167)	(6,809,387)
Adjustments for:		
Depreciation and amortisation	8,752	18,562
Unrealised foreign exchange loss/(gain)	-	1,268
Impairment of prospects, rights and exploration assets	23,458,072	4,840,004
Impairment of assets held for sale	-	36,645
Revaluation of listed investments and receivables	-	157,050
Fair value loss on available for sale financial asset	137,565	-
Movements in working capital:		
Increase/(decrease) in trade and other receivables	106,789	(1,017,843)
Decrease in current payables	(456,362)	(688,616)
(Decrease)/increase in provisions	(36,344)	33,826
Net cash flow used in operating activities	(1,109,695)	(3,428,491)

26. Fair value disclosures

As of 1 July 2009, Nkwe Platinum Limited has adopted the amendment to *IFRS 7 – Financial Instruments: Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
b) inputs other than quoted prices included within the level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

	Level 1 $	Level 2 $	Level 3 $	Total $
31 December 2015				
Assets				
<u>Available for sale financial assets</u>				
Listed equity securities	475,740	-	-	-
Total assets	**475,740**	**-**	**-**	**-**

	Level 1 $	Level 2 $	Level 3 $	Total $
30 June 2015				
Assets				
Non-current asset held for sale	-	557,550	-	557,550
<u>Available for sale trading assets</u>				
Equity securities receivable (note 11)	50,445	-	-	50,445
Total assets	**50,445**	**557,550**	**-**	**607,995**

Notes to the consolidated financial statements for the six months ended 31 December 2015

The fair value of financial instruments in active markets such as available for sale securities is based on quoted market bids at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

The Group does not currently have any financial instruments that are not traded in an active market included in level 2 and 3.

The fair value of the Groups other financial assets and liabilities approximate carrying value.

27. Accumulated losses

	31 Dec 2015 $	30 June 2015 $
Balance at the beginning of the period	(108,264,549)	(101,740,535)
Net loss attributable to members of the parent entity	(24,229,744)	(6,524,014)
Balance at the end of the period	(132,494,293)	(108,264,549)

28. Restatement of comparative information

The comparative information in these financial statements has been restated to adjust for the following:

- in the financial statements for prior years, a portion of the foreign currency translation difference on consolidation of Nkwe Platinum Ltd's subsidiaries was allocated to non-controlling interest. It was determined in the current period that no element of foreign currency translation difference should have been allocated to the non-controlling interest.

The above has been restated for each of the affected 30 June 2015 and 30 June 2014 financial statement line items for the prior period, as follows:

Statement of financial position	30 June 2015 Restated $	30 June 2015 As previously reported $	30 June 2014 Restated $	30 June 2014 As previously reported $
Foreign currency translation reserve	(70,207,141)	(51,148,807)	(78,525,354)	(56,971,556)
Accumulated losses	(108,264,549)	(108,264,549)	(101,740,535)	(101,740,535)
Parent interests	158,458,774	177,517,108	156,664,575	178,218,373
Non-controlling interests	(9,992,168)	(29,050,502)	(9,706,795)	(31,260,593)
Total equity	148,466,606	148,466,606	146,957,780	146,957,780

Notes to the consolidated financial statements for the six months ended 31 December 2015

28. Restatement of comparative information (cont'd)

Other comprehensive income	**30 June 2015 Restated $**	**30 June 2015 As previously reported $**	**30 June 2014 Restated $**	**30 June 2014 As previously reported $**
Items that will not be reclassified subsequently to profit or loss				
Foreign currency translation – non-controlling interest	-	2,495,464	-	(3,928,580)
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation – non-controlling interest	8,318,213	5,822,749	(13,095,266)	(9,166,686)
Total comprehensive income/(loss) attributable to:				
Owners of Nkwe Platinum Limited	1,794,199	(701,265)	(19,865,036)	(15,936,456)
Non-controlling interests	(285,373)	2,210,091	(244,845)	(4,173,425)

The above restatement did not impact loss after tax, loss per shares and statement of cash flow.

29. Events after the reporting period

On 14 January 2016, the Company announced that the Department of Environmental Affairs (DEA) granted the Environmental Authorisation (EA) for certain activities associated with the proposed Garatau Mine and associated infrastructure. The Company proposes to construct and operate an underground platinum mine located on the farm Remaining Extent (RE) of Garatouw 282 in the Limpopo Province. Maandagshoek will be host to some of the surface infrastructure including a portion of the plant and the tailings site facilities.

On 22 January 2016, the Company announced that it has been served with a writ of summons by International Petroleum Limited (formerly International Goldfields Limited) seeking $45,000,000 for the Company's alleged breach of the 2009 Sale Agreement for the Tubatse Project. In response to this, the Company announced on 2 February 2016 that its solicitors have filed a Memorandum of Appearance in the Supreme Court of Western Australia.

On 25 February 2016, the Company announced that it has served a defence and counterclaim in relation to the writ of summons by International Petroleum Limited. The counterclaim seeks $10,000,000 from International Petroleum Limited on the basis that, by virtue of the 30 November 2010 decision by the Constitutional Court of South Africa to set aside the decision by the Department of Mineral Resources of South Africa to award prospecting rights to Genorah in relation to mineral farms Nooitverwacht 324KT and Eerste Geluk 327 KT, International Petroleum Limited (to whom Genorah sought to transfer the prosecting rights) has been and remains unable to perform its obligations under the Sale Agreement for the Tubatse Project.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial period 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.

ASX Additional Information as at 29 February 2016

Ordinary share capital

896,333,973 fully paid ordinary shares are held by 3,809 individual shareholders.

Each ordinary share is entitled to vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

268,840,028 **listed** $0.10 Options expiring 31 March 2016 are held by 1,031 holders

Options do not carry a right to vote.

Distribution of holders of equity securities

Category	Fully paid ordinary shares	Options
1 – 1,000	252	160
1,001 – 5,000	992	285
5,001 – 10,000	736	104
10,001 – 100,000	1,372	292
100,001 and over	457	190
	3,809	**1,031**
Holding less than a marketable parcel	**1,589**	**862**

Substantial shareholders

Name	Fully paid ordinary shares	Percentage %
Jin Jiang Mining Limited	531,409,120	59.29

Twenty (20) largest shareholders – Fully paid ordinary shares

Name	Number of Shares Held	% of Issued Capital
Jin Jiang Mining Limited	531,409,120	59.29
Inyanga Consolidated Investments (Pty) Ltd	32,792,446	3.66
Gleneagle Securities Nominees Pty Ltd	18,300,700	2.04
HSBC Custody Nominees (Australia) Limited	15,200,852	1.70
Eleven O'Clock Pty Ltd	7,480,177	0.83
Mr David Alan MacDougall & Mrs Lina MacDougall <David MacDougall Invest A/C>	6,085,000	0.68
Citicorp Nominees Pty Limited	5,459,635	0.61
Mr Albert John Matthews & Mrs Betty June Matthews <The BJM S/F A/C>	5,175,000	0.58
J P Morgan Nominees Australia Limited	4,157,365	0.48
Mr Steven Lionel Tate & Mrs Sharlene Norma Tate	3,458,320	0.39
Graceford Holdings Pty Ltd <Graceford Super Fund A/C>	3,406,000	0.38
Grossmill Investments Pty Ltd	3,133,611	0.35
Doull Consolidated Limited	3,000,000	0.33
HNC Pty Ltd <The Saggers Super Fund A/C>	2,725,829	0.30
Mr Stephen Charles Stuart Watts <Watts Family A/C>	2,548,860	0.28
Satori International Pty Ltd <Satori S/F A/C>	2,500,000	0.28
Mr Peter Charles Morey & Mrs Valmai Ann Morey <Morey Super Fund A/C>	2,465,540	0.28
Almesh Pty Ltd <Symba Retirement Fund A/C>	2,210,000	0.25
Mr Simon Benjamin Fleet	2,200,000	0.25
ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/C>	2,090,641	0.23
	655,849,096	**73.17**

Twenty (20) largest option holders – Listed options (exercisable at $0.10, expiring 31 March 2016)

Name	Number of Options Held	% of Issued Capital
HSBC Custody Nominees (Australia) Limited – A/C 2	87,338,820	32.49
Ms Liyulong Sun	16,849,956	6.27
Mrs Gina Clare Fialla	8,000,068	2.98
Mr Wayne Murray Williams	6,600,000	2.45
Mr David Chen	6,598,152	2.45
Thi Ly Huong Pham	6,070,000	2.26
B & J Thompson Holdings Pty Ltd	5,750,000	2.14
Mr Donald Charles Gray & Mrs Robyn Shirley Gray <Robdon Super Fund A/C>	3,885,285	1.45
Mr Brendan Cluff	3,350,000	1.25
Mr Ian David Bett	3,347,223	1.25
Mr Joseph Claude Carbone & Mrs Joy Lorraine Carbone <Wild River Super Fund A/C>	3,000,000	1.12
Gascoyne Holdings Pty Ltd <Bray Super Fund Pension A/C>	3,000,000	1.12
Mr Glen Daryl Joseph & Mr Gary Keith Joseph <G & G Joseph Super Fund A/C>	3,000,000	1.12
Mr Michael Lewis Thompson	2,925,000	1.09
HSBC Custody Nominees (Australia) Limited	2,669,614	0.99
Endiside Pty Ltd	2,500,000	0.93
Jamie Brew Golf Services P/L <Brew Family A/C>	2,454,545	0.91
Mr Mark Koussas & Mrs Faye Koussas	2,450,280	0.91
Dr Sunitha Panackal	2,380,273	0.89
Mr Vlasos Christodoulou	2,300,000	0.86
	174,469,216	**64.90**

Schedule of tenements

Location	Project Area	Ownership	Total Hectares (approx.)
North West Province, Republic of South Africa	Ruighoek	49% of~ 53/100 undivided shares over certain portions	2,587
Limpopo Province, Republic of South Africa	Garatau Project (De Kom & Garatouw)	74%	3,300
Limpopo Province, Republic of South Africa	Garatau Project (Hoepakrantz)	64%	7,200

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.