



8 October 2009

Via E Lodgement

## **Nkwe and IGC finalise sale of IGC's 15% interest in Tubatse Project**

### **Key points:**

- **Formal Asset Sale Agreement for the Tubatse Project between NKWE and IGC signed;**
- **Upfront payment of A\$10M to IGC to secure 5% of the Tubatse Project; and**
- **NKWE to acquire 10% balance for A\$50M upon Xstrata exercising option or the grant of Mining Right over the Tubatse Project.**

Emerging Australian platinum exploration and development company NKWE Platinum Limited (ASX: NKP) ("**NKWE**" or the Company") has executed a formal asset sale agreement with ASX listed company International Goldfields Limited (ASX: IGC) ("**IGC**") pursuant to which NKWE will acquire IGC's 15% interest in the Tubatse PGM Project ("**Tubatse Project**") located in the Eastern Limb of the Bushveldt platinum region of South Africa.

Under the terms of the formal asset sale agreement NKWE will make the following payments to IGC for the acquisition of the 15% interest:

- A\$10m within 5 days of approval of transaction by IGC shareholders, expected second half of November 2009; and
- A\$50M on or before the earlier of:
  - Xstrata South Africa exercising its option with NKWE to acquire a 50% interest in the Tubatse PGM Project (collectively the farms Hoepakrantz, Nooitverwacht, Eerste Geluk situated on the eastern limb of the Bushveld Igneous Complex); and
  - the grant of the Mining Approval in respect of the Tubatse Project.

Upon completion of the A\$10m payment, Nkwe will get a 5% interest in the Tubatse Project. If the second leg of the transaction is not completed, IGC will retain their 10% interest.

Nkwe will fund the transaction through either existing cash resources and/or a structured debt royalty instrument.

The Board of NKWE are pleased with the tranche nature of the payments given the delay in development of the Tubatse Project in the immediate short term with NKWE's focus on the adjoining Garatau Project directly north.

The asset sale transaction is subject to government, regulatory and shareholder approvals. IGC is currently preparing a notice of meeting, which will be sent to IGC shareholders in the coming weeks.

For and on behalf of the Board



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**ABOUT NKWE**

Nkwe Platinum's main Garatau-Tubatse project consists of five contiguous farms with a strike length of more than 30km, stretching all the way in proximity from Implats' Marula mine in the north, past Anglo Platinum's Modikwa Joint venture to the border of Eastplat's Spitzkop – Kennedy's Vale project in the south. In ongoing exploration, Nkwe has a JORC mineral resources on the Tubatse / Garatau Project areas to 68.9 million ounces 3PGM+Au.

Nkwe Platinum's Tubatse and Garatau Projects are located in an established mining district with well developed infrastructure and a surface footprint of more than 10,500 hectares, underlain by both the Merensky Reef and UG2 chromitite seam from surface to a depth of 1,500m. Nkwe is currently jointly conducting a Feasibility Study with its joint venture partner Xstrata on the Garatau Project Area in the north and Tubatse Project Area in the south with a view to develop two mines with a combined annual production of more than 1 million ounces platinum group metals from a targeted mineralisation base in excess of 100 million ounces PGM+Au. The potential size and quality of Nkwe's PGM assets and its joint venture option with Xstrata, make it possible for Nkwe to become an independent PGM producer and strategically utilise independent or joint ventured smelting and refining capabilities.

### **Competent Person Statement**

*The information in this report that relates to initial 20.4Moz Mineral Resources for the Tubatse Project is based on a resource estimate completed by Mr Nico Denner who is employed by Geological and Mine Evaluation Computer Services. Mr Denner is a Geologist with 14 years experience in the South African Mining Industry and sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and the Ore Reserves. Mr Denner is a Member of South African Council for Natural Scientific Professions (Membership No. 400060/98). Mr Denner consents to the inclusion of this information in the form and context in which it appears in this report.*

*The information in this report that relates to upgraded 24.88Moz Mineral Resources for the Tubatse Project is based on a resource estimate completed by Mr Andy Clay who is employed by Venmyn. Mr Clay is a Geologist with 12 years experience in the South African Mining Industry and sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and the Ore Reserves. Mr Clay is a Member of South African Council for Natural Scientific Professions (Membership No. 400041/99). Mr Clay consents to the inclusion of this information in the form and context in which it appears in this report.*

*All Mineral Resources stated in this announcement are in accordance with the requirements of the JORC Code (2004)*