



## Quarterly Report and Appendix 5B for the Period ended 31 December 2010

The Board is pleased to provide the following commentary to be read in conjunction with the Appendix 5B attached.

<i>Issued Capital</i>	<b>622 M *</b>	ASX Code <b>NKP</b>	Closing price <b>\$0.45*</b>
<i>Market Cap</i>	<b>\$280m *</b>	OTCQX Code <b>NKWEY</b>	
<i>* as at 31 December 2010</i>			

### Genorah Court Decision

The Company acknowledges that it has been a testing quarter for Nkwe with the decision of the South African Constitutional Court with regards to 2 farms (Nooitverwacht and Eerste Geluk) as announced 1 December 2010 having led to the Company shares being suspended.

Following suspension, the Company has updated the market with various announcements regarding its position and continues to confirm its stated position with regards to its ability to retain and develop its interests in both the Garatau and Tubatse projects, (which includes the 64% interest for the 2 farms Nooitverwacht and Eerste Geluk).

The Company is expecting a decision from the South Africa Department of Minerals and Resources ("DMR") in the coming weeks. The Company is confident of its relevant project interests being restored and thus requesting that its shares recommence trading on the ASX. A complete announcement of the status of Nkwe's projects will be made prior to recommencing trading on ASX.

### Upgraded Hoepakrantz Resource – Measured

Nkwe is pleased to announce that the Company's Measured Resource across both its Garatau and Tubatse Projects has increased 27% from a total of 14.2 Moz (3PGE+Au) to 18.1 Moz (3PGE+Au) following results from recent drilling on the Hoepakrantz Farm.

The results established a **16.8 Moz** resource with an average grade of 4.55g/t (3PGE+Au) from 115Mt (after 20% geological loss) comprising:

- Measured Resource on the UG2 Reef of **3.9Moz** at 5.62g/t (3PGE+Au) from 21.7Mt
- Indicated Resource on the Merensky Reef of **2.1Moz** at 3.33g/t (3PGE+Au) from 19.2Mt



- Inferred Resource on the UG2 Reef of **7.1Moz** at 5.63g/t (3PGE+Au) from 39.3Mt.
- Inferred Resource on the Merensky Reef of **3.7Moz** at 3.33g/t (3PGE+Au) from 98.7Mt

Whilst the updated resource statement on the Hoepakrantz farm has resulted in a 16% decrease in the total resource on Hoepakrantz to 16.8 Moz (3PGE+Au), the Company is extremely pleased in significantly upgrading the confidence of the resource from solely inferred with a maiden measured and indicated resource (after geological losses and utilising a 1.1m mining cut) of 6.0 Moz (3PGE+Au) as set out below.

**Table 1 – Hoepakrantz – Mineral Resource**

	Tonnage after 20% Geological Loss (M)	Mining cut (m)	Estimated 4E Bulked Grade (g/t)	4E Metal Content (Moz)
<b>MEASURED</b>				
UG2 Reef	21.7	1.10	5.62	3.9
<b>Total Measured</b>	<b>21.7</b>			<b>3.9</b>
<b>INDICATED</b>				
Merensky Reef	19.2	1.10	3.33	2.1
<b>Total Indicated</b>	<b>19.2</b>			<b>2.1</b>
<b>INFERRED</b>				
UG2 Reef	39.3	1.10	5.63	7.1
Merensky Reef	34.8	1.10	3.33	3.7
<b>Total Inferred</b>	<b>74.1</b>			<b>10.8</b>
<b>TOTAL</b>				
<b>TOTAL</b>	<b>115.0</b>	<b>1.10</b>	<b>4.55</b>	<b>16.8</b>

\* Merensky Reef intersects at 300m on the shallower Eastern boundary of Hoepakrantz, UG2 at 600m.

### **Bankable Feasibility Study Update and Optimisation**

An independent third party review of the Bankable Feasibility Study (BFS) was conducted during Q4 2010. Independent consultants SRK Consulting, PSS Quantity Surveyors, BBE Ventilation Engineers and DRA Engineering undertook the review. Some areas of potential improvement were identified, but no fatal flaws and project economics were confirmed. TWP Projects are re-working certain aspects of the BFS with the final BFS document now scheduled for Q1 2011.

In addition to the third party review, the Company is also conducting an optimisation study of the BFS focussed in detail on the ultimate commercial profile for the project, looking at determination of the strategic timelines to production, minimisation of the upfront capital and maximisation of the front end cash flows.

What is now being examined on a fast track study to be completed during Q1 2011 is:

- Initial discrete mining of the Merensky reef with deferred UG2 program;
- Initial access by way of decline (not shaft as per current BFS);
- Establishment of a smaller initial plant having 200 to 250 koz capacity;



- Rapid underground development by way of improved stoping methods including long hole stoping;
- Later stage development of large scale plant with main shaft development to occur at a later date; and
- Rapid main shaft development by way of Raise Boring from the then underground Merensky development areas and then sinking to the UG2 by traditional sinking methods.

The additional study will allow Nkwe to develop (if it chooses) the Projects on a stand alone basis (with strategic financing partners and contractors for mining and plant construction) in addition to proceeding with the current joint venture opportunities. The Board believes that having both the large scale single access shaft development BFS and the additional multi point access BFS option summarised above places the Company in the best possible position to determine its strategic partners and project development path to maximise shareholder value and capitalise on the positive short and medium term outlook for PGMs.

### **Nkwe Obtains Quotation on OTCQX**

During the quarter, Nkwe announced that its American Depositary Receipts (“ADR’s”) are available for trading in the United States on OTCQX International under the symbol “NKWEY.” Each ADR represents 20 ordinary shares listed on the Australian Securities Exchange under the symbol “NKP.”

The OTCQX is a highly visible trading platform that has attracted more than 130 companies since its inception in early 2007. Built on a robust electronic quotation and trading platform, the OTCQX International has emerged as the world’s premier cross-listing venue for international issuers that wish to benefit from U.S. trading and investor demand without diluting their current shareholder base. In just over three years, the OTCQX has grown to include more than \$700 billion in companies traded on the market. Participants include BG Group PLC (UK), First Majestic Silver Corp. (Canada), Oz Minerals Limited (Australia), White Energy Company Limited (Australia).

### **Operations**

#### **Garatau Project**

Drilling has continued on the Garatau Project to increase the Measured Resource with two boreholes completed which cover just over 3,365 meters of drilling. To date the Garatau Project has a Measured Mineral Resource of 14.2Moz 3PGE+Au and an Inferred Mineral Resource of 9.1Moz 3PGE+Au across the two properties, Garatouw and De Kom.

A summary of the Garatau Resource Statement is included in Table 2.



**Table 2 – Garatau Project – Mineral Resource**

	Tonnage after Geological Loss (M)	Mining cut (m) *	Estimated 4E Bulk Grade (g/t)	4E Metal Content (Moz) **
<b>MEASURED</b>				
Merensky Reef	42.7	1.20	4.40	5.9
UG2 Reef	48.1	1.20	5.35	8.3
Total Measured	90.7			<b>14.2</b>
<b>INFERRED</b>				
Merensky Reef	27.0	1.20	4.40	3.8
UG2 Reef	30.5	1.20	5.35	5.2
Total Inferred	57.5			<b>9.1</b>
<b>TOTAL</b>				
<b>TOTAL</b>	<b>148.2</b>	<b>1.20</b>	<b>4.90</b>	<b>23.3</b>

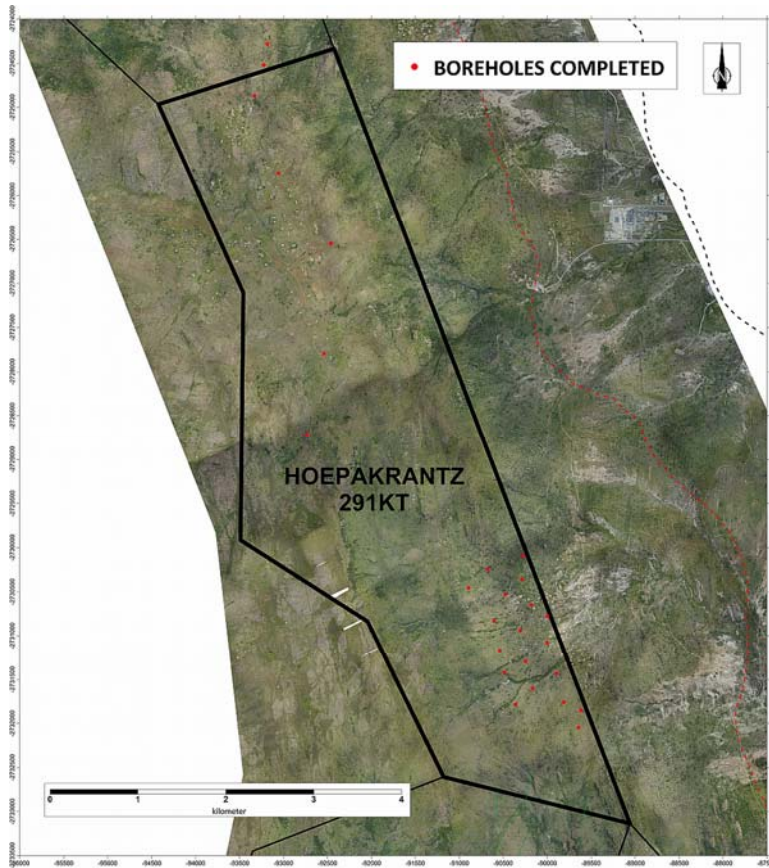
\* The widths are intended mining cuts, and the estimated resources are thus *mineable* resources, and not *in situ* resources.

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

### **Tubatse Project**

During the quarter, drilling also continued on the Tubatse Project, on the Farm Hoepakrantz. Two boreholes were completed which cover just over 2,318 meters of drilling, with results having been processed with an updated resource being received on Hoepakrantz as referred to above.





**Fig 1 – Location map for boreholes completed on Hoepakrantz**

**Pilanesberg Project**

The project consists of two properties, Rooderand and Ruighoek which are advanced stage exploration projects.

Rooderand is located on the north-western rim of the Pilanesberg National Park and successful exploration during 2006 increased the JORC compliant resource to 36.7m Mt @ 3.8 g/t for 4.5Moz (3PGM+Au), geologically discounted. A new order prospecting right has been issued on this project.

Peter Landau  
Executive Director / Joint Company Secretary

Staff Sithole  
Joint Company Secretary



*The geological information in this announcement has been prepared by Mr Andre van der Merwe, Operations Manager and geologist with 21 years experience in the minerals industry. Mr van der Merwe has sufficient experience which is relevant to the style of the mineralisation and type of deposit under consideration and is registered as Pr. Sci. Nat. under the South African Council for Natural Scientific Professions. He is also a member of the AusIMM. He qualifies as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting for Exploration Results, Minerals Resources and Ore Reserves (the JORC Code). This report accurately reflects the information compiled by Mr van der Merwe. Mr van der Merwe has consented 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 Mineral Resources for the Garatau Project and updated Hoepakrantz Mineral Resource is based on a resource estimate completed by Dr Carina Lemmer who is employed by Geological & Geostatistical Services. Dr Lemmer is a Geostatistician with 33 years experience in the Mining Industry and sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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. Dr Lemmer is registered as Pr. Sci. Nat. under the South African Council for Natural Scientific Professions, a Fellow of the South African Geological Society and a Member of the Geostatistics Association of South Africa. Dr Lemmer 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 Quarterly Report are in accordance with the requirements of the JORC Code (2004)*

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# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

NKWE PLATINUM LIMITED

ACN or ARBN

105 979 646

Quarter ended ("current quarter")

31 December 2010

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to Date 6 Months \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(2,337)	(4,361)
(b) development	-	-
(c) production	-	-
(d) administration	(512)	(946)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	75	120
1.5 Interest and other costs of finance paid	(86)	(86)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net expenditure paid on behalf of Genorah	(843)	(1,206)
<b>Net Operating Cash Flows</b>	<b>(3,703)</b>	<b>(6,479)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(1)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	2,578	2,578
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>2,578</b>	<b>2,577</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,125)</b>	<b>(3,902)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,125)	(3,902)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	12	956
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	(49)
	<b>Net financing cash flows</b>	12	907
	<b>Net increase (decrease) in cash held</b>	(1,113)	(2,995)
1.20	Cash at beginning of quarter/year to date	4,896	6,778
1.21	Exchange rate adjustments to item 1.20	28	28
1.22	<b>Cash at end of quarter</b>	3,811 *	3,811 *

\* Receivables of \$1.5m received post quarter end.

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	365
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Directors Fees	\$176k
Financial/Company Secretarial/Office Support Services	\$189k

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil
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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil
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+ See chapter 19 for defined terms.



### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,500
4.2 Development	-
4.3 Production	-
4.4 Administration	500
<b>Total</b>	<b>2,000</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,811	4,896
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>3,811</b>	<b>4,896</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A	N/A	N/A	N/A
6.2 Interests in mining tenements acquired or increased	N/A	N/A	N/A	N/A

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 *Ordinary securities	622,651,184	622,651,184	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	200,000 -	200,000 -	N/A N/A	N/A N/A
7.5 *Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7 Options <i>(description and conversion factor)</i>	15,000,000 50,672,387 59,439,502 <u>9,612,500</u> 124,924,389	- - 59,439,502 <u>-</u> 49,439,502	<i>Exercise price</i> \$0.90 \$0.90 \$0.35 \$0.50	<i>Expiry date</i> 30/06/2010 31/12/2010 31/08/2012 30/06/2012
7.8 Issued during quarter	10,000,000	10,000,000	\$0.35	31/08/2011
7.9 Exercised during quarter	200,000	200,000	\$0.50	30/06/2012
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-	-	-
7.12 Unsecured notes <i>(totals only)</i>	-	-	-	-

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31 January 2011  
Company secretary

Print name: Peter Landau

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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