

30 January 2018

The Manager
Companies Announcements
Australian Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

QUARTERLY REPORT AND APPENDIX 5B FOR THE QUARTER ENDED 31 DECEMBER 2017

Nkwe Platinum Limited ("Nkwe Platinum" or "the Company") (ASX: NKP) is pleased to provide the following report on its activities for the quarter ended 31 December 2017 on the Company's operations in the Republic of South Africa.

SUMMARY

- Section 47 Notice set aside.
- Water Use Licence for the Garatau Project granted.
- Bulk water supply for the mine will be sourced from Lepelle Northern Water Board.
- Budget quote for Grid power for mine operation pending.
- Social and Labour Plan programme implementation progressing well.

Company Overview

The company owns 74% of a Mining Right over the Garatau Project. The Garatau Project consists of three contiguous tenements Garatouw 282KT, Hoepakrantz 291KT and De Kom 252KT, located in the Eastern Limb of the Bushveld Complex, approximately 20 kilometres to the northwest of Steelpoort town and approximately 300km east-northeast of Johannesburg. Steelpoort town in an established mining district with extensive existing infrastructure. No mining tenements or beneficial percentage interests in farm-in or farm-out agreements were acquired or disposed of during the quarter.

The Garatouw Project is at a pre-development stage and a Definitive Feasibility Study (DFS) demonstrated the technical feasibility and commercial viability of extracting the mineral resources on Garatouw farm. The De Kom and Hoepakrantz farms are at an early exploration stage. The critical mining regulatory authorisations such as the Mining Right and Environmental Authorisations and Water Use License ("WUL") have all been granted by relevant Government Departments.

To date the Garatau Project has an independently estimated total resource of 43.69 million ounces (Moz) of 3 PGE + Au (20.51 Moz from Hoepakrantz, 21.78 Moz from Garatouw and 1.40 Moz from De Kom). A summary of the Garatau Mineral Resource Statement is given in Table 1 below.

The Company is busy with certain upfront preparations before commencement of project execution. These preparatory works constitute the Company's Early Works Programme ("EWP"). Further, the company has finalised an operational readiness plan to prepare the Company and the operational unit for safe and optimal production output during the transition from engineering and design to capital project implementation.

There are no exploration or mining activities currently taking place.

CORPORATE

Permitting

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The Company has a Mining Right granted in February 2012 and executed in January 2014 over the Garatau Project area, valid for chrome ore, cobalt, copper ore, nickel ore, gold and platinum group metals.

On 4 December 2015, the Department of Environmental Affairs (“DEA”) granted the environmental authorisation for the Garatau Mine.

The Section 47 Notice of the Mineral and Petroleum Resources Development Act (ACT 28 of 2002) (as amended through act 49 of 2008) (“MPRDA”) served on the Company by the Department of Mineral Resources (DMR) on 13 October 2016 was finally set aside by the Minister of Mineral Resources on 10 November 2017. This is a significant milestone as it reaffirmed the Company’s Mining Right over its tenements and paved the way for the reinstatement of its fully quoted securities on the ASX. The Company’s securities were reinstated on 17 November 2017.

The record of decision on the Water Use Licence (“WUL”) by the Department of Water and Sanitation (DWS) was granted on 13 October 2017.

Bulk Services

Power for shaft sinking and mine operation will be supplied by the national energy regulator, Eskom. Eskom was granted the Environmental Authorisation by DEA for the Garatau Grid Power Project on 18 May 2016. The surveying process for the Garatau Grid Power Project has been completed and the project was presented to the Eskom’s Technical Evaluation Forum for technical support. The project is awaiting Eskom’s Investment Committee for investment approval and approval to release the Budget Quotation (BQ) to the customer. The budget quote from Eskom is expected in 2018. Grid power from ESKOM will not affect the start-up of the Garatau Project. Construction power will be supplied by diesel generators with a capacity of 5MVA which would be more than sufficient for decline development and associated activities.

Bulk industrial and portable water supply to the project will be sourced from Lepelle Northern Water Board, a state-owned Water Service Provider.

Social Capital

The Company understands and believes in the need for strong social capital not only as a resource in community development, but also a vital prerequisite for capital project development and sustainable operation of the mine. Government and host communities are among our most important stakeholder groups. Due to the unyielding senior leadership commitment to value creation and sustainability throughout the business, the Company’s management is constantly in direct and indirect engagements with various stakeholders. These include Government, Tribal Council and Development forum members of the three host communities, amongst others. The engagements are on the basis of principles and values such as goodwill, trust, solidarity, general reciprocity and civic engagement. Through these principles and values, the engagements are aimed at closing the relational and information disconnect between the Company and its stakeholders as a result of trust deficits and perception gaps especially between mining companies and local communities marking the mining industry.

The Company is cognisant of its obligation in sharing the value that will be created by its flagship Garatau Project once it’s in operation, thus ensuring the promotion and advancement of social and economic welfare of our host communities and fulfilling one of the objectives of the MPRDA. To this end, the Company is progressing well with implementing all its Social and Labour Plan (“SLP”) commitments that can be executed before mining operations commence. This ensures legislative and regulatory compliance with the Mining Charter targets and a social licence to develop the project and operate the mine in a sustainable manner.

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)**
MERENSKY 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)**
MERENSKY 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	76.155	1.1						11.00
Total	191.080							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)**
MERENSKY 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 information on above resource estimates was first reported by the Company in the December 2014 quarterly and subsequently in a market release dated 20th January 2016 to comply with ASX Listing Rule 5.21 and JORC 2012 requirements. 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.

TENEMENT INFORMATION (ASX Listing Rule 5.3.3)

The table below shows the interests in tenements held by Nkwe Platinum Limited and is provided in accordance with ASX Listing Rule 5.3.3.

Location	License/Tenement Reference	Ownership
North West Province, South Africa	Ruighoek	49% of 53/100 undivided shares over certain portions
Limpopo Province, South Africa	Garatau Project (Garatouw 282KT, De Kom 252KT & Hoepakrantz 291KT)	74%

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.

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:

D Subramani (Garatouw farm Merensky Reef)

K Lomberg (Garatouw farm UG2, De Kom property)

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.

For further information, please contact:

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

NKWE PLATINUM LIMITED

ARBN

105 979 646

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(126)	(870)
(b) development	-	-
(c) production	-	-
(d) staff costs	(69)	(276)
(e) administration and corporate costs	(334)	(1,540)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	103
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(519)	(2,583)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,815	5,820
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(519)	(2,583)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(202)	(143)
4.6	Cash and cash equivalents at end of period	3,094	3,094

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	3,094	3,815
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,094	3,815

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
69
-

Directors' fees – all payments are on normal commercial terms

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	100
9.2 Development	100
9.3 Production	-
9.4 Staff costs	250
9.5 Administration and corporate costs	300
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	750

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Company Secretary

Date: 30 January 2018

Print name: Keith Bowker

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.