

11 July 2011

Att: Farlee Walker
Company Advisor
Australian Securities Exchange
Exchange Plaza
2 The Esplanade Perth
PERTH WA 6000



Via E-Lodgement

Company Update

Optimised BFS - Garatau

Nkwe Platinum Limited (ASX: NKP) ("**Nkwe**" or "**the Company**") has in recent months been working with international consulting, construction and mining group, DRA, to optimise the Bankable Feasibility Study ("**BFS**") for the Garatau Project.

The optimized BFS was scheduled to be finalised and released to the market on or about 31 May 2011.

In light of the negotiations with parties regarding the joint development (see below) of the farms subject to the BFS, and the positive impact a satisfactory outcome to these negotiations could have on this study, the Company will look to provide an update concurrently with an update regarding a possible joint venture on one or more of its farms.

Work on the optimisation of the Garatau BFS continues and nears completion. DRA has worked intensively on the optimisation of the original BFS.

The DRA group has brought a significant degree of competence to the task and they have concentrated predominantly on reduction of capital infrastructure costs and accelerated timelines to first mining. They have focussed particularly on fast track access to the ore body, which will result in substantial increase of the upfront cash flows and reduction of capital cost.

Negotiations regarding joint development of Nkwe Assets

Nkwe has, for some time, been in discussions with several parties regarding the joint development of one or more of its farms. These discussions have been positive and constructive.

The Company is aware of its continuous disclosure obligations and should these negotiations reach a more complete level the market will be informed accordingly.

NKPO – Listed Options

The Company notes the impending expiry date of the 31 August 2011 listed options and will make an announcement within the coming weeks regarding a complete state of play of all material matters and the treatment of the options.

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Application to review DMR decision with regard to the award of Prospecting Rights on the farm Eerste Geluk 327KT

Nkwe advises that the unsuccessful applicants for the prospecting right to Eerste Geluk 327KT have lodged a review with the High Court on the DMR decision to award the Prospecting Right of Eerste Geluk 327KT farm to the Roka Phasha Community in partnership with Genorah Resources Limited (Nkwe's BEE Partner and major shareholder).

Nkwe has always maintained this action is opportunistic and fully anticipated and expected the grouping would dispute the DMR decision, should it be unfavourable to them, particularly given the litigious background of the groups funding the minority community group.

Together with local communities, Nkwe will ensure it does everything in its power to protect its rights to this farm, including, but not limited to, commencing legal action in a variety of capacities if necessary.

"Nkwe regards this action as a last ditch attempt to bring the DMR award process into disrepute. The Company is extremely confident in its view that the attempted legal review process is doomed to failure," said Nkwe Limited Managing Director, Mr Maredi Mphahlele.

Yours faithfully

Peter Landau
Executive Director

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