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The Manager
Companies Announcements
Australian Securities Exchange
Level 40, Central Park
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PERTH WA 6000

RESPONSE TO SHAREHOLDER ENQUIRIES

Nkwe Platinum Limited (ASX: NKP) ("Company") has received a number of similar enquiries from shareholders.

The enquiries are essentially two-fold:

1. why was prior shareholder approval not sought for the Company's loan of \$5.48 million to Genorah Resources Limited, a substantial shareholder at the time ("Genorah Loan")?; and
2. why was a Settlement Deed and Release executed in September 2014 by the Company with Okap Ventures Pty Ltd, Peter Landau and others not released to the market ("Okap Parties Settlement")?

The Company welcomes the opportunity to engage with shareholders and responds to the enquiries as follows.

Genorah Loan

The Company is incorporated in Bermuda. Accordingly, it is required to comply with the provisions of the Bermuda Companies Act 1981. It is not required to comply with the provisions of the Australian Corporations Act 2001 (other than Part 5B.2 which deals with registration and financial reporting).

Subject to directors' fiduciary duties, there is nothing in the Bermuda Companies Act which would require the Company to obtain shareholder approval prior to entering into a transaction with a related party shareholder.

Similarly, there is nothing in the Company's Bye-laws which prevents the Company entering into a related party transaction or requires shareholder approval to enter into such a transaction.

Further, even if the Corporations Act 2001 applied to the Company (which it does not, other than Part 5B.2 which deals with registration and financial reporting), Genorah would not be regarded as a related party to the Company for the purposes of Chapter 2E (Related Party Transactions) just because it was a substantial shareholder of the Company at the relevant time.

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Chapter 10 of the ASX Listing Rules does regulate transactions between a listed company and persons in a position of influence, including a substantial holder in the listed company. However, such provisions are limited to asset acquisitions or disposals and the issue of securities by the listed company. Loan transactions are not regulated by Chapter 10.

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) 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;
- (d) 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.

In the Company's Quarterly Report and Appendix 5B for the period ended 30 June 2014 (released to ASX on 8 September 2014) ("Company Release") it was disclosed that Peter Landau would be resigning from the Company's Board effective 1 October 2014 and that the then current corporate, financial and company secretarial services provided to the Company by the Okap Parties would also change at this time. Mr Landau duly resigned on 1 October 2014 and the Company released an announcement to ASX on that date, together with an Appendix 3Z in respect of Mr Landau.

So, by 1 October 2014 the substance of the Settlement Deed, at least in terms of paragraphs (a) and (b) above, as foreshadowed in the Company Release, had taken place.



The remaining substance of the Settlement Deed, in terms of paragraphs (c) and (d) above, is not considered information that “a reasonable person would expect to have a material effect on the price or value” of the Company’s securities. For this reason the Company has not previously released details of the Settlement Deed to ASX.

Formal releases are a common and expected occurrence between parties when arrangements between them are terminated or severed. There was no additional financial consideration passing in connection with the releases agreed between the Company and the Okap Parties. The only distinction was that the Okap Parties’ release has come into effect whilst the Company release has not and cannot come into effect because of the failure of one or more of the Conditions to be satisfied or waived.

The Company has issued a demand to the Okap Parties seeking the payment of \$2.5 million held on trust for the Company.

The Company has recently had initial discussions with ASIC relating to the investigation of certain matters arising out of the activities undertaken by the Okap Parties prior to 1 October 2014.

Yours faithfully



Zhilin Li
Managing Director
Nkwe Platinum Limited

