

25 February 2016

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

UPDATE ON PROCEEDINGS AGAINST INTERNATIONAL PETROLEUM LIMITED

Nkwe Platinum Limited (ASX: NKP) ("**Nkwe Platinum**" or "**the Company**") wishes to update the market on the litigation commenced by International Petroleum Limited (**IPL**) against the Company.

As announced on 22 January 2016, the Company received a writ of summons from IPL seeking \$45,000,000 arising from the Company's alleged breach of the 2009 Sale Agreement for the Tubatse Project (**Sale Agreement**) (**Proceedings**).

On 2 February 2016 the Company advised that its solicitors had filed a Memorandum of Appearance in the Supreme Court of Western Australia.

The Company has served a defence and counterclaim in these Proceedings.

The counterclaim seeks \$10,000,000 (with interest and costs) from IPL on the basis that, by virtue of the 30 November 2010 decision by the Constitutional Court of South Africa to set aside the decision by the Department of Mineral Resources of South Africa to award prospecting rights to Genorah in relation to mineral farms Nooitverwacht 324KT and Eerste Geluk 327 KT, IPL (to whom Genorah sought to transfer the prospecting rights) has been and remains unable to perform its obligations under the Sale Agreement.

Accordingly, Nkwe believes it is entitled to restitution from IPL in respect of the funds paid under the Sale Agreement (and interest thereon).

The Company will update the market on the Proceedings as and when required.

Yours faithfully

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