

22 October 2007

Australian Securities Exchange Limited  
Exchange Plaza  
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Perth WA 6000

## Via E-lodgement

### OPTION TO ACQUIRE PLATINUM FARMS AND DRILLING UPDATE

#### KEY DEVELOPMENTS FOR NKWE

- Further Positive Explorative Results for Nkwe
- Option to acquire adjacent farms
- Appointment of Key Project Manager

#### Exploration Results

The latest assay results from holes drilled on the farm Eerste Geluk 327 KT are summarised in Table 1 (see Fig.2 for location).

##### Merensky Reef Assay Results on Eerste Geluk

Borehole	Deflection	From (m)	To (m)	Width (m)	4E (g/t)
EST001	D4	320.13	321.61	1.48	<b>1.09</b>
	D5	324.19	326.30	2.11	<b>2.89</b>
	D7	326.04	328.75	2.82	<b>7.63</b>
EST002	D0	262.02	264.28	2.26	<b>1.62</b>
EST003	D0	429.18	431.43	2.25	<b>3.23</b>
EST005	D0	189.48	191.70	2.22	<b>2.99</b>
	D4	189.50	191.62	2.12	<b>2.69</b>
	D5	189.41	191.55	2.14	<b>1.92</b>

##### UG2 Reef Assay Results on Eerste Geluk

Borehole	Deflection	From (m)	To (m)	Width (m)	4E (g/t)
EST001	D0	517.56	518.10	0.54	<b>8.33</b>
	D1	517.58	518.10	0.52	<b>7.96</b>
	D2	517.65	518.30	0.65	<b>11.81</b>
EST005	D0	492.42	493.42	1.00	<b>5.15</b>
	D1	492.47	493.31	0.84	<b>8.94</b>
	D3	492.70	493.65	0.95	<b>7.86</b>

*Note: mineralised widths reported are as intersected in the drill holes and not true widths. The dips of the mineralised horizons are expected to be approximately 10 degrees. See table in Annexure A for complete hole details.*

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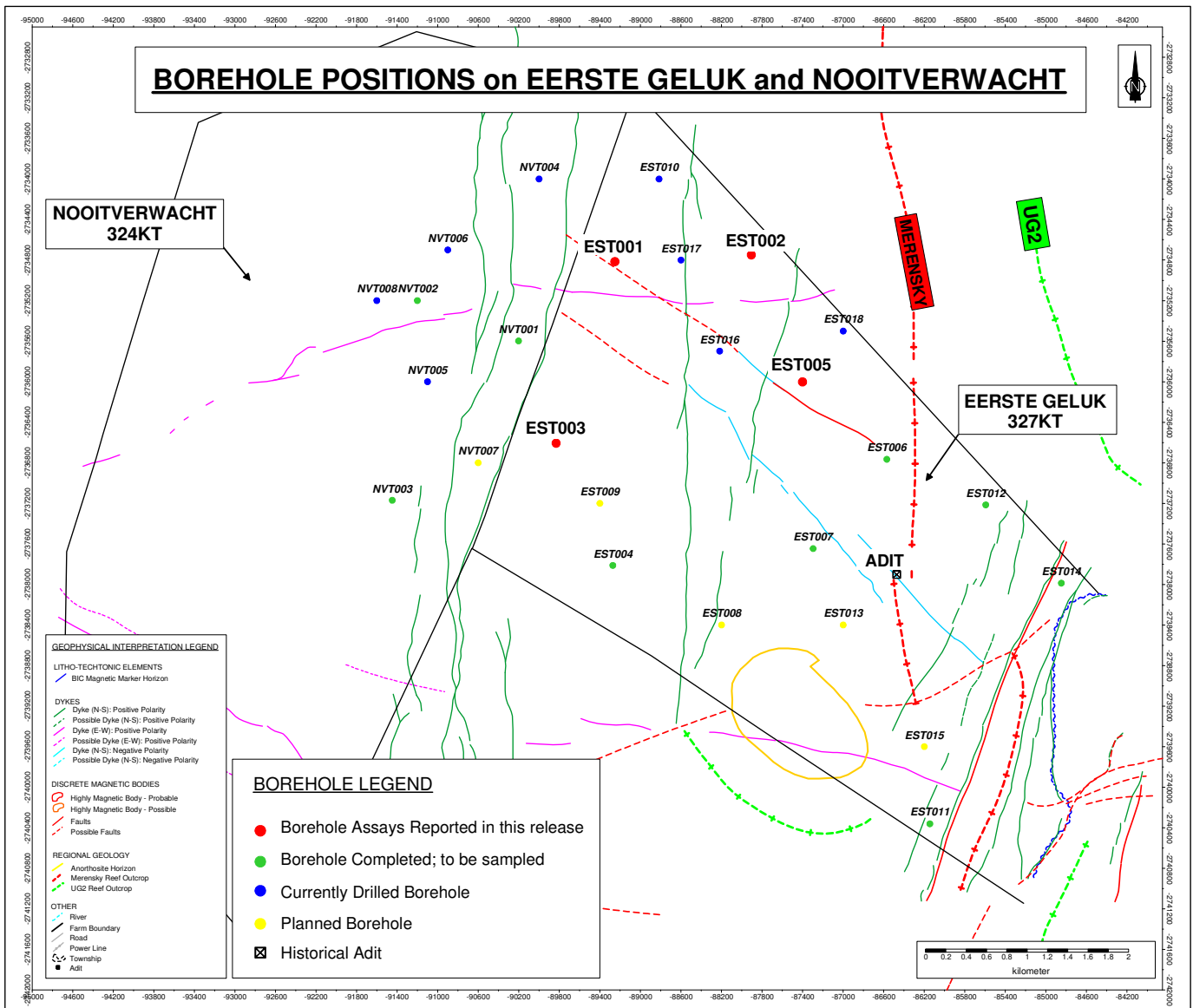
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- The Merensky Reef outcrops at surface over an average width of 2.13 m at an average grade of 3.01 g/t
- The UG2 reef averages 8.34 g/t over a width of 0.75 m.
- The two platinum bearing reefs are separated by approximately 250m.

More than 13,000 metres of core has been drilled on Eerste Geluk (>7,400m) and Nooitverwacht (>5,600m). These metres represent 13 completed holes, 9 holes in progress and 46 deflections.



**Figure 1: Borehole positions on Eerste Geluk and Nooitverwacht.**

In addition to the results from the current phase of the drilling program, good progress was made on clearing an historical adit located on the outcrop of the Merensky Reef on Eerste Geluk (Fig.1).

The adit will serve as early underground access to the Merensky Reef and will be useful in collecting a bulk sample and geotechnical data.

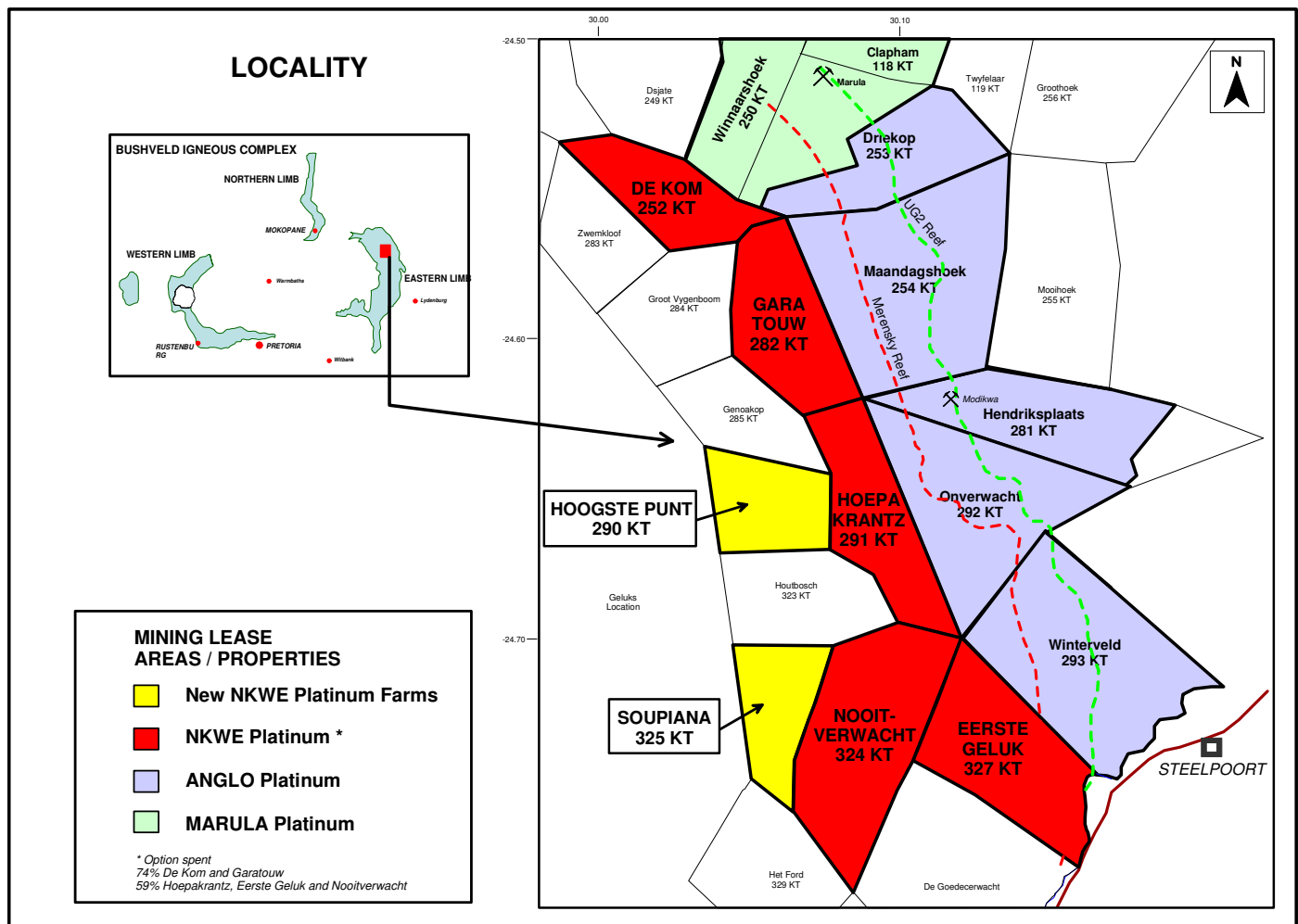
Road developments to drill sites on higher elevations and more rugged areas have commenced.



## MOU signed for two additional farms

Nkwe is also pleased to announce that it has entered into a Memorandum of Understanding ("MOU") with 2 privately owned South African companies Dyondisani Mining & Energy (Pty) Ltd ("Dyondisani") and Bolotola Investment Holdings (Pty) Ltd ("Bolotola") to acquire a 100% interest in the prospecting rights to two platinum group metal ("PGM") farms.

The two farms, Soupiana 325 KT and Hoogstepunt 290 KT, are located adjacent and contiguous to the recently acquired Genorah properties on the Eastern limb of the platiniferous Bushveld Complex in South Africa Eerste Geluk 327 KT, Nootitverwacht 324 KT and Hoepakrantz 291 KT (see Fig.2 below).



**Figure 2: Locality of the two additional acquired PGM properties, Soupiana 325KT and Hoogste Punt 290KT.**

Given the position of the two properties and the latest information from Nkwe's drilling program on the farms Eerste Geluk 327 KT and Nootitverwacht 324 KT these farms are expected to be underlain by both the platinum-bearing Merensky Reef and UG2 chromite horizons, which account for 80% of the world's platinum production.

With the acquisition of these two farms, Nkwe's Garatouw-Eerstegeluk mineralised project area will increase by 25% to more than 13,000ha. Ownership of these two farms forms part of Nkwe's consolidation of its PGM interests on the Eastern Limb.

SRK Consulting has been commissioned to conduct an independent technical report and valuation of the properties.



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Key terms of the MOU includes the payment of a exclusivity fee of AUD\$120,000 to Dyondisani and Botola, due diligence and regulatory approvals and acquisition terms, to be negotiated following completion of the independent technical report

### **Andre van der Merwe appointed as Project Manager**

The board of Nkwe is pleased to announce that André van der Merwe has been contracted as Project Manager to manage and co-ordinate completion of the feasibility study on Nkwe's key PGM project on the Eastern Limb.

André has a long history of involvement in the mining industry, starting with JCI in the 1980s, and include his involvement as Regional Manager with consultancy group RSG Global and more recently SRK Consulting as Principal Geologist and Partner.

André's previous experience in managing feasibility programs brings valuable capacity to the team at Nkwe.

Nkwe also advises that Director Jack Griffin has resigned. The Board thanks Mr Griffin for his contribution and looks forward to announcing key board appointments shortly.

Yours Faithfully



Peter Landau  
Executive Director

*The geological information in this announcement has been prepared by Mr Andre van der Merwe, a geologist with 19 years experience in the South African 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. 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.*

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## UG2 and Merensky Reef Intersections

### EERSTE GELUK

Borehole	Collar Coordinates*		Merensky Reef			UG2 Reef		
	Y	X	From (m)	To (m)	Thickness	From (m)	To (m)	Thickness
EST001	89251.640	2734815.291	324.12	324.32	0.20	517.56	518.10	0.54
EST002	87906.257	2734749.619	262.02	262.52	0.50	faulted out		
EST003	89831.422	2736606.678	429.75	430.11	0.36	464.58	464.95	0.37
EST004	89272.246	2737812.194	reefs modified					
EST005	87401.308	2736001.731	189.50	191.57	2.07	492.56	493.25	0.69
EST006	86569.858	2736765.402	39.15	41.05	1.90	333.49	334.53	1.04
EST007	87296.467	2737646.642	206.37	208.27	1.90	faulted out		
EST010	88816.433	2734000.553	304.31	304.88	0.57	498.21	499.04	0.83
EST011	86145.267	2740361.572	n/a - East of outcrop			124.01	124.60	0.59
EST012	85593.603	2737214.686	n/a - East of outcrop			211.28	211.79	0.51
EST014	84848.225	2737987.283	n/a - East of outcrop			faulted out		
EST016	88218.262	2735697.727	348.55	350.05	1.50	608.22	609.00	0.78
EST017#	-88600	-2734800	250.06	250.25	0.19			
EST018#	-87000	-2735500	155.07	157.13	2.06			

### NOOITVERWACHT

Borehole	Collar Coordinates*		Merensky Reef			UG2 Reef		
	Y	X	From (m)	To (m)	Thickness	From (m)	To (m)	Thickness
NVT001	90202.377	2735598.054	452.34	457.56	5.22	464.58	464.95	0.37
NVT002#	-91200	-2735200	569.35	570.50	1.19	758.50	759.00	0.50
NVT003#	-91448	-2737170	647.59	649.64	2.05	904.82	905.50	0.68
NVT004#	-90000	-2734000	456.74	458.55	1.81	693.73	694.40	0.67
NVT005#	-91100	-2736000	481.28	483.2	1.92	713.10	713.70	0.60
NVT006#	-90900	-2734700	561.10	563.10	2.00	833.91	834.47	0.56
NVT008#	-91600	-2735200	639.88	642.05	2.17			

Coordinate System: South Africa Zone WG

\*Collar Coordinates 31

Project Datum: Hartebeeshoek

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# GPS Coordinates - not yet surveyed

