

## Quarterly Report and Appendix 5B for the Period ended 30 June 2009

The Board is pleased to provide the following commentary to be read in conjunction with the Appendix 5B attached.

<i>Issued Capital</i>	<b>510 M *</b>	<i>ASX Code</i>	<b>NKP</b>	<i>Closing price</i>	<b>\$0.30*</b>
<i>Market Cap</i>	<b>\$153m *</b>				
<i>* as at 30 June 2009</i>					

### Highlights

- Conditional agreement entered into with regards to three non-core assets, Kliprivier Project, Ghost Mountain and Tinderbox Prospect.
- Agreement reached with IGC regarding IGC's 15% interest in the Tubatse Project.
- Continuation of the joint Bankable Feasibility Study process with Xstrata, to target run of mine production of one million PGM ounces per annum.

### Subsequent to Quarter End

- Upgraded resource on the Tubatse Project of an additional 24.9Moz (3PGM+Au) – total resource across the Garatau and Tubatse Projects of 68.9Moz.

### Corporate

#### **Non-Core Asset Disposal**

With the focus on the Garatau / Tubatse Project, Nkwe has been looking at divesting its portfolio of non-core assets. During the quarter, Nkwe Platinum Limited's ("**Nkwe**") South African subsidiary, Nkwe (South) Africa (Pty) Limited ("**NKSA**") entered into agreements that will result in the disposal of two of NKSA's subsidiaries, Masedi Platinum (Proprietary) Limited ("**Masedi**") and Nkwe Platinum (Scarlet) (Proprietary) Limited ("**Scarlet**").

Together, Masedi and Scarlet hold the New Order Prospecting Rights for the Ghost Mountain Project ("**Ghost Mountain**"), the Kliprivier Project ("**Kliprivier**") and the Tinderbox Project ("**Tinderbox**"), (collectively "**the Prospects**").



The disposal will comprise two transactions both of which are inter-conditional, and subject to government and regulatory approvals.

Subject to the satisfaction of certain conditions precedent, Realm Resources Limited (“**Realm**”), a mineral resource focussed company will acquire Masedi and Scarlett from Nkwe. Contiguous to this transaction being executed, Morningstar Holdings Limited (ASX: MSN) (“**MSH**”) will acquire 100% of the issued capital of Realm.

As consideration for the disposal of Masedi and Scarlett, NKSA will receive A\$3,500,000 worth of equity in MSH upon execution of the transaction and a further A\$3,500,000 worth of equity in MSH upon the granting of a mining right over any of the Prospects or takeover event of MSH. The equity consideration allows Nkwe to retain an interest in the projects and exposure to upside potential as they are developed by Morningstar.

“The disposal of the Ghost Mountain, Kliprivier and Tinderbox Projects is in line with NKP’s strategic refocus on development of its flagship Garatau and Tubatse Projects, and focussing on the bankable feasibility study for this flagship project, with an aim of developing a world-class mine to market operation” said NKP Managing Director Maredi Mphahlele.

#### **Acquisition of IGC’s 15% Interest in Tubatse Project**

During the quarter Nkwe had entered into an agreement with International Goldfields Limited (“**IGC**”) to acquire IGC’s 15% interest in the Tubatse Project, in which it had an exclusive option with IGC over, for A\$60m.

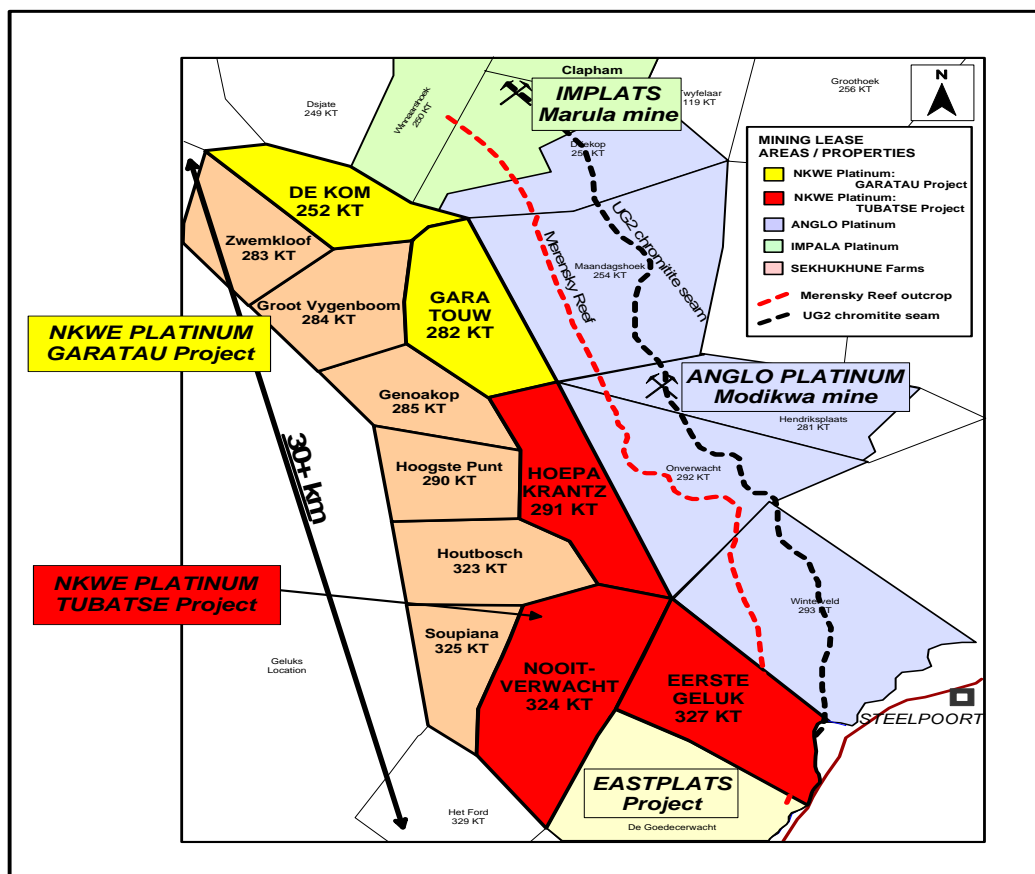
Under the terms of the transaction, Nkwe is to pay an initial amount of A\$20m, with the balance of A\$40m to be paid Q1 2010. Nkwe is continuing with advanced negotiations with regards to finalising the terms of a circa A\$30m raising by way of a convertible debt instrument, with an aim to announce completion of the raising shortly.

#### **Progress of the Bankable Feasibility Study with Xstrata**

A Joint Operating Committee comprising representatives from both Nkwe and Xstrata meet on a regular basis, discussing and actioning all aspects of the proposed mining and development activities and arrangements for the Bankable Feasibility Study. Nkwe is drawing on Xstrata’s expertise as they provide input into all areas including resource and reserve definition through geology, mining and ore body access, metallurgical testing and mineral processing, plant design, tailings and waste disposal, geotechnical work, civil, infrastructure and general engineering, operating and capital costing and environmental and social aspects.

TWP, a listed project engineering and design company based in Johannesburg has been selected to complete the bankable feasibility. The environmental study, social and labour plan as well as metallurgical test work are already well under way.





## Operations

### Garatau Project

During the quarter the drilling focus was on the Tubatse Project hence to date on the Garatau Project, a total of 56 diamond drill holes totalling 63,000m of core have been completed. The current Mineral Resource (23.6 Moz at 5.1g/t 3PGE+Au from 143 million tonnes) is based on assays from 24 boreholes on the Merensky Reef and 22 boreholes for the UG2 Reef. Further updates to the resource statement will be released as new boreholes from the current drilling program are completed.

The drilling on the project area confirms the positive geophysical assessment completed to date:

- Modest degree of dyke intrusions by Eastern Bushveld standards;
- Potential Iron Rich Ultramafic Pegmatite (IRUP) activity modest; and
- Geophysically mapped “loss-of-ground” features are limited in areal extent.

The UG2 and Merensky Reefs dip consistently at shallow angles of between 6 and 8



degrees, which is amenable to mechanised mining methods. The Merensky resource commences from a depth of 350m below surface, with the UG2 horizon located 350m below the Merensky horizon.

Drilling for metallurgical samples has completed and metallurgical testwork is being undertaken by Mintek in Johannesburg to determine characteristics for crushing, milling and floatation of the ores.

Table 1 – Garatau Project – Mineral Resource

	Tonnage after Geological Loss (M)	Mining cut (m) *	Estimated 4E Bulk Grade (g/t)	4E Metal Content (Moz) **
<b>MEASURED</b>				
UG2 Reef	25.6	1.20	5.44	4.5
<b>INDICATED</b>				
Merensky Reef	22.9	1.20	4.74	3.5
<b>INFERRED</b>				
UG2 Reef	50.2	1.20	5.44	8.8
Merensky Reef	44.9	1.20	4.74	6.8
Total Inferred	95.1	1.20	5.11	15.6
<b>TOTAL</b>				
<b>TOTAL</b>	<b>143.6</b>	<b>1.20</b>	<b>5.11</b>	<b>23.6</b>

\* The widths are intended mining widths, and the estimated resources are thus *mineable* resources, and not *in situ* resources.

\*\* Geological loss of 17% applied to tonnages for recoverable ounces – loss estimates are based on the few disturbances observed in borehole intersections and on geophysical observations.

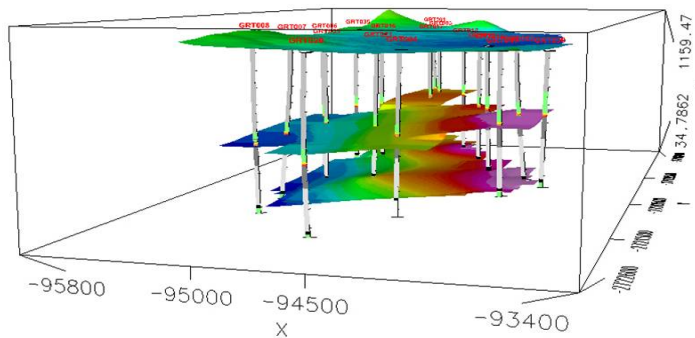
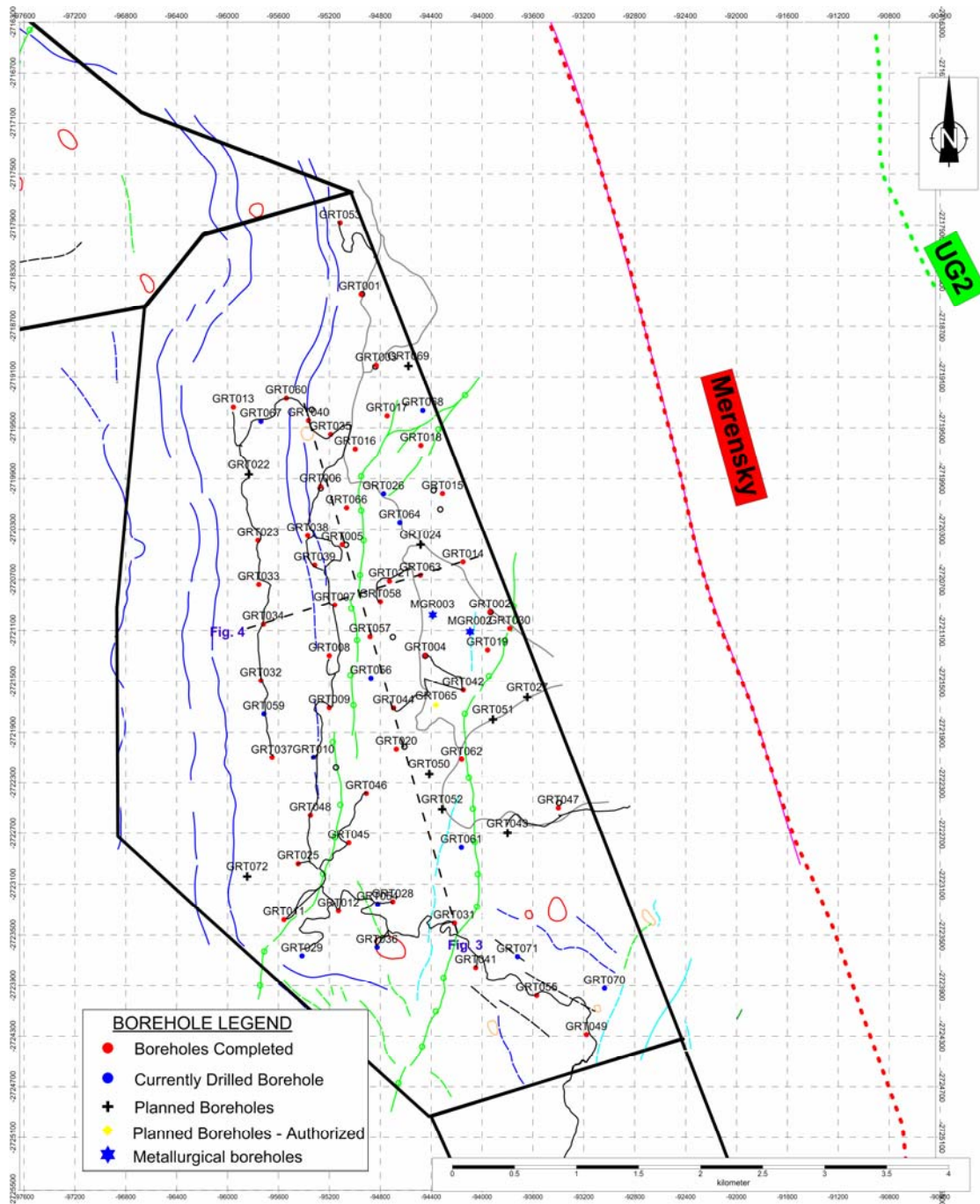


Figure 1: 3-D view of the drill holes and mineralisation intersected





**Figure 2:** Completed and planned borehole positions on the farm Garatouw

## Tubatse Project

Subsequent to quarter end Nkwe announced an updated JORC Inferred Mineral Resource of 45.3Moz (3PGE+Au) across the Tubatse Project in the Bushveld region of South Africa. The previous resource totaled 20.4Moz (3PGE+Au).



The inferred resource covers both the Merensky and UG2 horizons across all three farms comprising the Tubatse Project, being farms Eerste Geluk, Nooitverwacht and Hoepakrantz.

The current Mineral Resource statement for the Tubatse Project is given in Table 2.

Table 2 – Tubatse Project – Mineral Resource Statement on 31 July 2009

	<b>Discounted (20%) Resource Tonnage (Mt)</b>	<b>Bulked Width (m)</b>	<b>Grade (3PGE+Au g/t)</b>	<b>3PGE+Au Ounces (Moz)</b>
<b>EERSTE GELUK / NOOITVERWACHT</b>				
<b>Merensky</b>				
Inferred	54.49	1.22	5.03	7.75
<b>UG2</b>				
Inferred	48.09	0.68	8.17	12.62
<b>HOEPAKRANTZ</b>				
<b>Merensky</b>				
Inferred	98.73	1.98	4.13	13.11
<b>UG2</b>				
Inferred	57.67	1.00	6.35	11.77
<b>Total / average</b>	<b>258.98</b>			<b>45.25</b>

### Pilanesberg Project

The project consists of two properties, Rooderand and Ruighoek which are advanced stage exploration projects.

Rooderand is located on the north-western rim of the Pilanesberg National Park and exploration success during 2006 increased the JORC compliant resource to 36.7m Mt @ 3.8 g/t for 4.5Moz (3PGM+Au), geologically discounted. A new order prospecting right has been issued on this project.

Nkwe has an undivided 54% share on various portions of Ruighoek (under the old Mining Act) which lies directly to the west of the Pilanesberg National Park, covering an area of over 2,500ha. Nkwe has previously secured the consent to prospect on Ruighoek from the private holders of undivided shares of the mineral rights. An application for a Prospecting Right is currently being processed by the DME. Processing of the application will trigger the next stage of exploration development.



Peter Landau  
Executive Director / Company Secretary



*The geological information in this announcement has been prepared by Mr Andre van der Merwe, Operations Manager and geologist with 21 years experience in the 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 of Exploration Results, Minerals Resources and Ore Reserves (the JORC Code). 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.*

*The information in this report that relates to initial 20.4Moz Mineral Resources for the Tubatse Project is based on a resource estimate completed by Mr Nico Denner who is employed by Geological and Mine Evaluation Computer Services. Mr Denner is a Geologist with 14 years experience in the South African Mining Industry and sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and the Ore Reserves. Mr Denner is a Member of South African Council for Natural Scientific Professions (Membership No. 400060/98). Mr Denner consents to the inclusion of this information in the form and context in which it appears in this report.*

*The information in this report that relates to upgraded 24.88Moz Mineral Resources for the Tubatse Project is based on a resource estimate completed by Mr Andy Clay who is employed by Venmyn. Mr Clay is a Geologist with 12 years experience in the South African Mining Industry and sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and the Ore Reserves. Mr Clay is a Member of South African Council for Natural Scientific Professions (Membership No. 400041/99). Mr Clay consents to the inclusion of this information in the form and context in which it appears in this report.*

*The information in this report that relates to Mineral Resources for the Garatau Project is based on a resource estimate completed by Dr Carina Lemmer who is employed by Geological & Geostatistical Services. Dr Lemmer is a Geostatistician with 33 years experience in the Mining Industry and sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and the Ore Reserves. Dr Lemmer is a Member of South African Council for Natural Scientific Professions, a Fellow of the South African Geological Society and a Member of the Geostatistics Association of South Africa. Dr Lemmer consents to the inclusion of this information in the form and context in which it appears in this report.*

*All Mineral Resources stated in this Quarterly Report are in accordance with the requirements of the JORC Code (2004)*

**For further information please contact:**

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**About Nkwe**

Nkwe Platinum's main Garatau /Tubatse Project consists of five contiguous farms with a strike length of more than 30km, stretching all the way in proximity from Implat's Marula mine in the north, past Anglo Platinum's Modikwa Joint Venture to the border of Eastplat's Spitzkop – Kennedy's Vale project in the south. In ongoing exploration, Nkwe has delineated a JORC Mineral Resource of 44.0 million ounces 3PGM+Au across the Tubatse / Garatau Project areas.

Nkwe Platinum's Tubatse and Garatau Projects are located in an established mining district with well developed infrastructure and a surface footprint of more than 10,500 hectares, underlain by both the Merensky Reef and UG2 chromite seam from surface to a depth of 1,500m.



Nkwe is currently jointly conducting a Feasibility Study with its joint venture partner Xstrata on the Garatau Project Area in the north and Tubatse Project Area in the south with a view to develop two mines with a combined annual production of more than 1 million ounces of platinum group metals from a targeted mineralisation base in excess of 100 million ounces PGM+Au. The potential size and quality of Nkwe's PGM assets and its joint venture with Xstrata make it possible for Nkwe to become an independent PGM producer and strategically utilize independent or joint ventured smelting and refining capabilities.





# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

NKWE PLATINUM LIMITED

ACN or ARBN

105 979 646

Quarter ended ("current quarter")

30 June 2009

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(3,867)	(10,110)
(b) development	-	-
(c) production	-	-
(d) administration	(888)	(4,741)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	295	878
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
Net expenditure paid on behalf of Genorah (loan account)	(504)	(2,589)
<b>Net Operating Cash Flows</b>	<b>(4,964)</b>	<b>(16,563)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	(481)	(490)
(b)equity investments	-	-
(c) other fixed assets	(8)	(98)
1.9 Proceeds from sale of: (a)prospects	-	18,094
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	(2,683)
1.11 Loans repaid by other entities	6	105
1.12 Other (provide details if material)		
Provisional tax paid on proceeds from sale of De Wildt	(1,016)	(1,942)
<b>Net investing cash flows</b>	<b>(1,499)</b>	<b>12,986</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(6,463)</b>	<b>(3,577)</b>

		Current quarter \$A'000	Year to date (9 months) \$A'000
1.13	Total operating and investing cash flows (brought forward)	(6,463)	(3,577)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	6
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Issue expenses	(85)	(92)
<b>Net financing cash flows</b>		(85)	(86)
<b>Net increase (decrease) in cash held</b>		(6,548)	(3,663)
1.20	Cash at beginning of quarter/year to date	10,968	7,708
1.21	Exchange rate adjustments to item 1.20	(164)	211
1.22	<b>Cash at end of quarter</b>	4,256 *	4,256 *

\* Does not include the US\$10m option payment payable from Xstrata due in 3Q 2009.

#### Payments to directors of the entity and associates of the directors

#### Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	396
1.24	Aggregate amount of loans to the parties included in item 1.10	-

#### 1.25 Explanation necessary for an understanding of the transactions

Director Fees	\$186k
Financial/Company Secretarial/Office Support Services	\$210k

#### Non-cash financing and investing activities

##### 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil
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##### 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil
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## Financing facilities available

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,000
4.2 Development	-
<b>Total</b>	<b>2,000</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,256	4,256
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>4,256</b>	<b>4,256</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A	N/A	N/A	N/A
6.2 Interests in mining tenements acquired or increased	N/A	N/A	N/A	N/A

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 <b>Preference +securities</b> (description)	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	510,468,680	510,468,680	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -	- -	- -
7.5 <b>+Convertible debt securities</b> (description)	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7 <b>Options</b> (description and conversion factor)	15,000,000 <u>50,672,387</u> 65,672,387	- - -	Exercise price \$0.90 \$0.90	Expiry date 30/06/2010 31/12/2010
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	2,110,000 1,500,000 1,650,000	- - -	Exercise price \$1.10 \$1.25 \$1.00	Expiry date 30/06/2009 30/06/2009 30/06/2009
7.11 <b>Debentures</b> (totals only)	-	-	-	-
7.12 <b>Unsecured notes</b> (totals only)	-	-	-	-

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....  
Company Secretary

Date: 31<sup>st</sup> of July 2009

Print name: Peter Landau

## Notes

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- 1 This 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
  - 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
  - 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
  - 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
  - 5 **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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