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Nkwe Platinum Limited

ARBN 105 979 646

and its controlled entities

**Annual report for the financial year ended
30 June 2015**

Corporate directory

Board of Directors

Mr Sharif Pandor	Non-Executive Chairman
Mr Zhilin (Abraham) Li	Managing Director
Mr Maredi Mphahlele	Executive Director
Ms Mokganyentsi Sithole	Non-Executive Director
Mr Robin Wang	Non-Executive Director
Dr Dianmin Chen	Non-Executive Director

Company Secretary

Ms Mokganyentsi Sithole
Mr Keith Bowker

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Home Stock Exchange

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Perth, Western Australia 6000

ASX Code

NKP

Annual report for the financial year ended 30 June 2015

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Directors' report

The directors of Nkwe Platinum Limited ("Nkwe" or "the Company") submit herewith the annual report of Nkwe Platinum Limited and its subsidiaries ("the Group") for the financial year ended 30 June 2015. The annual report is prepared in accordance with the Bermudian Companies Act 1981.

Information about the directors

The names of the company's directors in office during the year and until the date of this report are as follows.

Name	Particulars
Mr Sharif Pandor	Non-Executive Chairman, joined the Board in September 2006. Mr Pandor (DSE in secondary education, University of Botswana) has community development experience spanning more than 21 years and serves on the boards of several mining and industrial companies. He is the CEO of Ikamva Investments Holdings, a company with interests in mining, property development and manufacturing. Mr Pandor is also the Chairman of Genorah Resources (Pty) Ltd and a director of Blue Nightingale Trading 709 (Pty) Ltd.
Mr Zhilin (Abraham) Li	Managing Director, joined the Board in December 2013. Mr Li has over 26 years' experience in mining and investment activities. As a General Manager at Zijin Mining Group, he takes charge of the identification and evaluation of merger and acquisition opportunities relating to overseas mineral investments, as well as co-ordinating and managing Zijin's overseas operational projects.
Mr Maredi Mphahlele	Executive Director, joined the Board in June 2006. Mr Mphahlele has considerable experience in the fields of mining, project finance, manufacturing/engineering and community development. He has worked for large corporates such as De Beers and Industrial Development Corporation of South Africa. Mr Mphahlele sits on boards of various engineering and trading companies and is also a director of Genorah Resources (Pty) Ltd and Blue Nightingale Trading 709 (Pty) Ltd.
Ms Mokganyetsi Sithole	Non-Executive Director, joined the Board in November 2009. Ms Sithole is an experienced executive with senior level experience across private and public organisations spanning 16 years. She is a founder and current shareholder of South African Women in Mining ("SAWIMI") and is extensively involved in women's affairs throughout South Africa. Ms Sithole's work experience covers a broad spectrum of industry including Information Technology, Human Resources, Television Broadcasting and Education. Ms Sithole is a director of Genorah Resources (Pty) Ltd.
Mr Robin Wang	Non-Executive Director, joined the Board in May 2014. Mr Wang has worked at Zijin Mining Group in various roles since 2006 and is currently Legal Counsel, Deputy General Manager of Zijin's Overseas Development Division.

Dr Dianmin Chen Non-Executive Director, joined the Board in October 2014. Dr Chen was the CEO of Norton Gold Fields Limited (ASX: NGF) which was delisted from ASX on 1 July 2015. He was the COO of CITIC Pacific Mining Management Ltd, in which he was responsible for the development of a large magnetic ore mine in Western Australia. Dr Chen was the Vice President of Operations at Minco Silver Corporation and was the Executive Director and CEO of CaNickel Mining Limited.

Mr Peter Landau Executive Director, joined the Board in September 2006. Mr Landau is a former corporate lawyer and corporate adviser and had over 18 years' experience in providing general corporate, capital raising, transaction and strategic advice to numerous ASX and AIM listed and unlisted companies. Mr Landau resigned on 1 October 2014.

The above names directors held office during the whole of the financial year and since the end of the financial year except for:

- Mr Peter Landau – resigned 1 October 2014
- Dr Dianmin Chen – appointed 1 October 2014

Principal activities

The Group's principal activities in the course of the financial year were the acquisition, exploration and development of platinum group and associated base metal projects. There has been no significant change in the nature of these activities.

Changes in state of affairs

During the financial year, there was no significant change in the state of affairs of the Group other than that referred to in the financial statements or notes thereto.

Subsequent events

On 21 July 2015, the Company announced that Genorah Resources (Australia) (Pty) Ltd and Genorah Resources (Pty) Ltd (together referred to as "Genorah SA") has entered into a Sale of Shares Agreement ("Agreement") with Jin Jiang Mining Limited ("Jin Jiang") and the Company. Jin Jiang has agreed to acquire 305,833,120 fully paid ordinary shares in Nkwe Platinum Limited which are held by Genorah SA and free of all encumbrances with a cash consideration of \$0.10 per share. The total consideration will be \$30,583,312. The Company will receive cash proceeds of \$8,660,887 being amounts owed to the Company by Genorah SA. approximately in October 2015. The Transaction is subject to a number of regulatory and other conditions precedent, including but not limited to the approval of the Financial Surveillance Department of the South African Reserve Bank, the approvals of the South African Completion Authorities and People's Republic of China regulatory approvals.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group.

Future developments

The Group's strategy is to add substantial shareholder value through the acquisition, exploration, development and commercialisation of platinum group and associated base metal projects.

Dividends

No dividends have been paid or declared since the start of the financial year and the directors have not recommended the payment of a dividend in respect of the financial year.

Directors' and officers' insurance

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above), the Company Secretary and all executive officers of the Company. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. In addition, the Company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by its auditors.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 4 board meetings were held.

Directors	Board of Directors	
	Held	Attended
Sharif Pandor	4	4
Zhilin (Abraham) Li	4	4
Maredi Mphahlele	4	4
Mokganyetsi Sithole	4	4
Robin Wang	4	4
Dianmin Chen	2	2
Peter Landau	2	1

Directors' shareholdings

The following table sets out each director's relevant interest in shares and options in shares of the Company or a related body corporate as at the date of this report:

Directors	Fully paid ordinary shares	Share options
	Number	Number
Sharif Pandor*	-	-
Zhilin (Abraham) Li	-	-
Maredi Mphahlele*	-	-
Mokganyetsi Sithole*	-	-
Robin Wang	-	-
Dianmin Chen	-	-

* Genorah Resources (Pty) Limited ("Genorah") holds 324,133,820 shares in trust. Mr Pandor, Mr Mphahlele and Ms Sithole are directors and have beneficial interest in Genorah.

Corporate Governance

The directors support and adhere to the principles of corporate governance, recognising the need for highest standard of corporate behaviour and accountability. The Company's Corporate Governance Statement and its compliance with ASX guidelines can be found on the Company's website at www.nkweplatinum.com and on the ASX platform (ASX ticker code: NKP). The policies and compliance as stated were in place for the whole year and are current as at the date of this report.

Operating and financial review

Operating results

The consolidated loss of the Group for the financial year, after providing for income tax, amounted to \$6,809,387 (2014: \$7,014,615). Further discussions on the Group's operations is provided below:

Corporate

The prospecting rights originally granted by the Minister for Mineral Resources in respect of the 2 farms comprising the Tubatse Project (namely, Eerste Geluk 327KT and Nooitvewacht 324KT) were set aside by the Supreme Court on 26 September 2014 resulting in the Company losing its indirect interest in the areas subject of the prospecting rights. Applications for leave to appeal were subsequently filed in the Constitutional Court of South Africa. The application has since been dismissed by the Constitutional Court of South Africa.

Garatau Project

The Garatau Project consists of three contiguous properties Garatouw 282KT, Hoepakrantz 291KT and De Kom 252KT in Limpopo Province, South Africa, which is the focus of the Group's current mine construction project (Figure 1 below). To date the Garatau Project has independently estimated a total resource of 43.689 million ounces (Moz) of 3 PGE + Au (20.51 Moz from Hoepakrantz, 21.78 Moz from Garatouw and 1.40 Moz from De Kom). A technical feasibility and commercial viability of extracting these mineral resources has been demonstrated by the delivered definitive feasibility study. A summary of the Garatau Mineral Resource Statement is given in Table 1 below.

During November 2014, an independent update on the Hoepakrantz Merensky Reef resource estimate and classification was finalised, based on a wider mining height suitable for mechanised bord-and-pillar mining. This brought the Hoepakrantz Merensky Reef resource estimate in line with the mining method planned on the Garatouw farm. The Hoepakrantz resource estimate increased to 20.51 Moz of 3 PGE + Au from the previous 16.77 Moz of 3 PGE + Au.

The Company has a Mining Right over the Garatau Project area, executed in January 2014.

During September 2014, the Company submitted the final environmental impact assessment report to the Department of Environmental Affairs and is awaiting the decision on the integrated environmental authorisation and waste management license. The record of decision on the water use licence by the Department of Water and Sanitation is also pending.

The Company also received a feasibility cost estimate from ESKOM, the national power utility, for delivery of an 80MVA service to the Garatau project for the mine operation. Eskom should be able to deliver grid power to the Garatau project by first quarter of 2018. The grid power from ESKOM will not affect the start-up of the project. Construction power will be supplied by diesel generators with a capacity of 5MVA which would be more than sufficient.

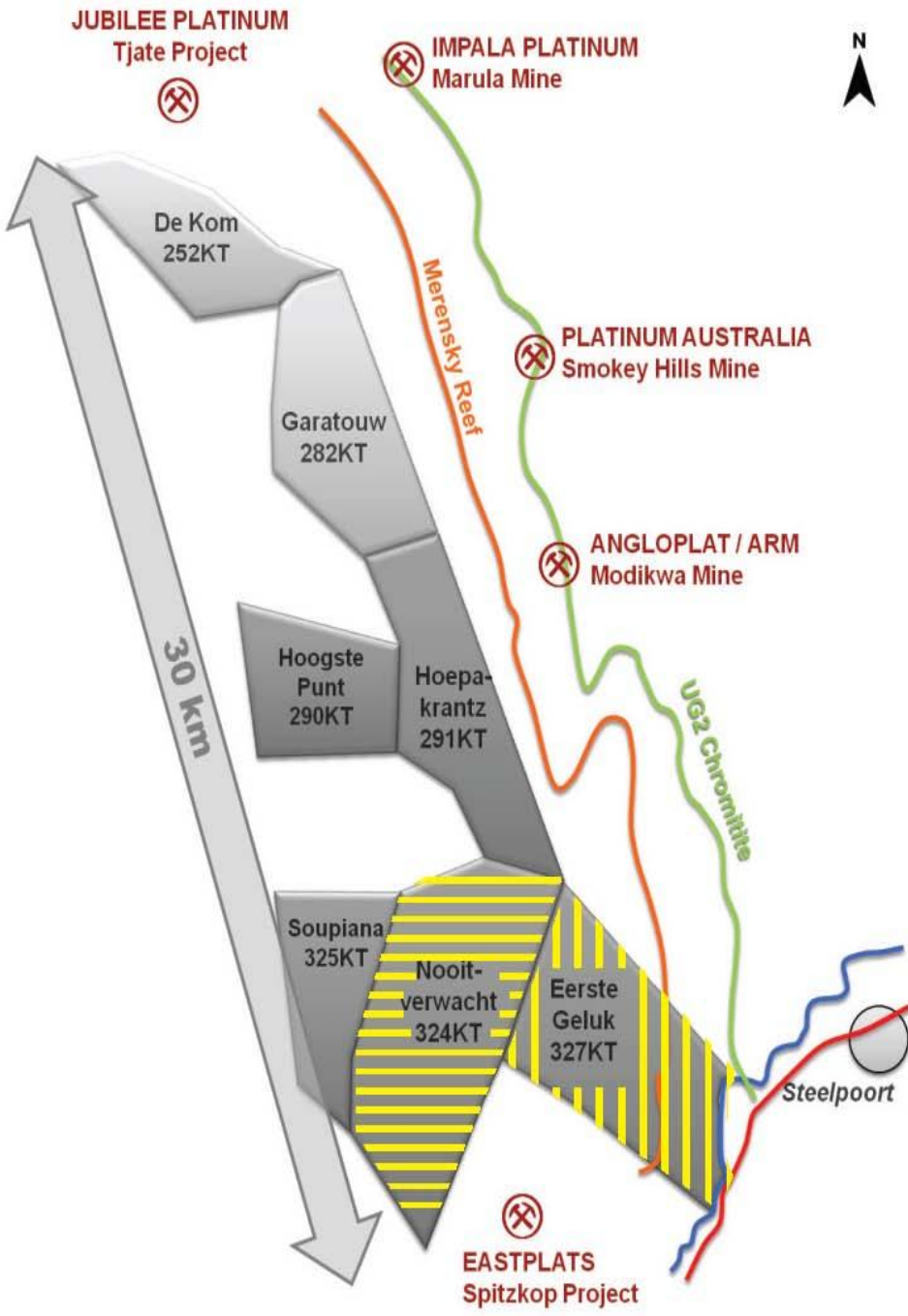


Figure 1: Location map of the Garatau project.

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Table 1: Garatau Project – Mineral Resource Statement

GARATOUW 282KT				
	Tonnage (Mt)	Mining cut (m) *	Estimated 4E Grade (g/t)	4E Metal Content (Moz) **
MEASURED				
Merensky Reef	26.419	2.20	3.41	2.90
UG2 Reef	19.139	1.10	5.42	3.33
TOTAL MEASURED	45.558		4.25	6.23
INDICATED				
Merensky Reef	46.440	2.20	3.20	4.78
UG2 Reef	18.758	1.10	5.13	3.09
TOTAL INDICATED	65.198		3.76	7.87
INFERRED				
Merensky Reef	31.874	2.20	3.10	3.18
UG2 Reef	26.210	1.10	5.36	4.51
TOTAL INFERRED	58.084		4.12	7.69
GARATOUW TOTAL				
All Categories	168.84		4.02	21.79

HOEPAKRANTZ 291KT				
	Tonnage after Geological Loss (M)	Mining cut (m) *	Estimated 4E Grade (g/t)	4E Metal Content (Moz) **
MEASURED				
UG2 Reef	21.666	1.10	5.62	3.91
INDICATED				
Merensky Reef	72.787	2.31	2.53	5.92
INFERRED				
Merensky Reef	42.138	2.31	2.66	3.60
UG2 Reef	39.258	1.10	5.63	7.08
TOTAL INFERRED	81.396		4.09	10.68
HOEPAKRANTZ TOTAL				
All Categories	175.849		3.63	20.51

DE KOM 252KT				
	Tonnage after Geological Loss (M)	Mining cut (m) *	Estimated 4E Grade (g/t)	4E Metal Content (Moz) **
INFERRED				
Merensky Reef	4.834	1.20	3.33	0.52
UG2 Reef	5.449	1.20	5.01	0.88
DE KOM TOTAL				
INFERRED	10.28		4.22	1.4

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

** Geological loss of between 17% and 20% applied to tonnages for recoverable ounces – loss estimates are based on the few disturbances observed in borehole intersections and on geophysical observations.

Pilanesberg Project

The project consists of two properties, Ruighoek and Rooderand, both located on the north-western rim of the Pilanesberg National Park, which are advanced stage exploration projects. A renewed converted prospecting right has been issued on this project.

The Rooderand project has been sold to JSE listed Chrometco LTD (JSE: CMO). Under the agreement, Nkwe would receive a total of 45 million shares in Chrometco in two tranches – effectively holding a 16% stake in Chrometco. The regulatory Section 102 approval Consent to transfer the rights to Chrometco has now been granted by the Department of Mineral resources.

The Nkwe Chrometco transaction is now completed and Chrometco is finalising the issuing of the remaining 35 million shares to Nkwe.

Notes

The mineral resources have been prepared and compiled under the guidance of Competent Persons who are registered with the Natural Sciences Institute of South Africa (SACNASP), to comply with the South African Mineral Resources Code (SAMREC) and the Joint Ore Reserves Committee Code (JORC Code). The SAMREC Code and the SACNASP are officially recognised on a reciprocal basis by the Australasian Institute of Mining and Metallurgy (AusIMM).

The following Competent Persons with the appropriate qualifications and experience have been involved in the reporting of the mineral resources and have given their consent to the inclusion in this report of the matters based on their information in the form and context in which it appears:

K Lomberg (Garatouw farm UG2, De Kom property)

D Subramani (Garatouw farm Merensky Reef)

C Lemmer (Hoepakrantz farm UG2).

D MacGregor (Hoepakrantz farm Merensky Reef).

Kenneth Lomberg is employed as a consultant of Coffey Mining, a consultant to the Company and is a member of the South African Council for Natural Scientific Professions at the time of estimating these resources.

Desmond Subramani is employed by Caracal Creek International Consulting, a consultant to the Company and is a member of the South African Council for Natural Scientific Professions at the time of estimating these resources.

Dr Carina Lemmer is employed as a consultant of Geological and Geostatistical Services, a consultant to the Company and is a member of the South African Council for Natural Scientific Professions at the time of estimating these resources.

Duncan MacGregor is employed by Theo Pegram & Associates (Pty) Ltd, a consultant to the Company and is a member of the South African Council for Natural Scientific Professions and the Australasian Institute of mining and Metallurgy.

All of the above have sufficient experience with the style of mineralisation and type of deposit under consideration and to the activity which is undertaken to be qualified as a Competent Person as defined in the 2012 edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Remuneration of key management personnel

2015	Short-term employee benefits		Post-employment benefits	Share-based payment	Total \$
	Salary & fees \$	Other \$	Superannuation \$	Options \$	
S Pandor ¹	100,079	-	-	-	100,079
Z Li	300,000	-	-	-	300,000
M Mphahlele	230,000	-	-	-	230,000
M Sithole	38,000	-	-	-	38,000
R Wang	36,000	-	-	-	36,000
D Chen ²	27,000	-	-	-	27,000
P Landau ³	-	-	-	-	-
	731,079	-	-	-	731,079

¹ Mr Pandor's fees are paid in South African Rand. The amounts have been converted to Australian dollars based on exchange rates prevailing at the end of each month

² Appointed 1 October 2014

³ Resigned 1 October 2014

2014	Short-term employee benefits		Post-employment benefits	Share-based payment	Total \$
	Salary & fees \$	Other \$	Superannuation \$	Options \$	
S Pandor	55,000	-	-	-	55,000
Z Li ¹	132,124	-	-	-	132,124
M Mphahlele	300,000	-	-	-	300,000
M Sithole	55,000	-	-	-	55,000
R Wang ²	6,000	-	-	-	6,000
P Landau	360,000	-	-	-	360,000
M Nkuhlu ³	27,498	-	-	-	27,498
	935,622	-	-	-	935,622

¹ Appointed 17 December 2013

² Appointed 5 May 2014

³ Resigned 18 December 2013

This directors' report is signed in accordance with a resolution of directors.

On behalf of the directors



Zhilin (Abraham) Li

Managing Director

Perth, 30 September 2015

Independent audit report to the members of Nkwe Platinum Limited

We have audited the accompanying financial report of Nkwe Platinum Limited and the entities it controlled ("the consolidated entity"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of this financial report in accordance with International Financial Reporting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the company, and have met the independence requirements of Australian and International professional ethical pronouncements.

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Auditor's Opinion

In our opinion, the consolidated financial report presents fairly, in all material respects, the financial position of the consolidated entity as at 30 June 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 3.8 Going concern basis in the financial report. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.



Ernst & Young
Perth
30 September 2015

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Directors' declaration

The directors declare that:

- (a) in the directors' opinion, subject to the achievement of the matters set out in Note 3.8 Going concern basis, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached consolidated financial statements and notes thereto are in compliance with International Financial Reporting Standards; and
- (c) in the directors' opinion, the attached consolidated financial statements and notes thereto are in compliance with accounting standards and give a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the directors

On behalf of the directors



Mr Zhilin (Abraham) Li

Managing Director

Perth, 30 September 2015

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Consolidated statement of comprehensive income for the year ended 30 June 2015

		Consolidated	
		30 June 2015	30 June 2014
		\$	\$
	Note		
Continuing operations			
Interest revenue		443,878	10,364
Other income		5,253	155,733
Exploration expenses		-	(842,408)
Administration and corporate expenses	6	(2,223,313)	(6,172,132)
Foreign currency exchange (loss)/gain		(1,268)	1,831
Revaluation of listed shares in receivables		(157,050)	(10,036)
Reversal of rehabilitation provision		-	552,538
Impairment of prospects, rights and exploration assets	8	(4,840,004)	(86,885)
Revaluation of non-current assets classified as held for sale		(36,645)	(35,126)
Loss before finance costs		(6,809,149)	(6,426,121)
Finance costs		(238)	(588,494)
Loss before income tax		(6,809,387)	(7,014,615)
Income tax expense	7	-	-
Loss for the period		(6,809,387)	(7,014,615)
Other comprehensive income, net of income tax			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Foreign currency translation – non-controlling interest		2,495,464	(3,928,580)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation – owners of the parent		5,822,749	(9,166,686)
Other comprehensive income/(loss) for the period, net of tax		8,318,213	(13,095,266)
Total comprehensive income/(loss) for the period		1,508,826	(20,109,881)
Loss for the period attributable to:			
Owners of Nkwe Platinum Limited		(6,524,014)	(6,769,770)
Non-controlling interests		(285,373)	(244,845)
		(6,809,387)	(7,014,615)
Total comprehensive income/(loss) attributable to:			
Owners of Nkwe Platinum Limited		(701,265)	(15,936,456)
Non-controlling interests		2,210,091	(4,173,425)
		1,508,826	(20,109,881)
Earnings per share attributable to the ordinary equity holders of the parent:			
Basic and diluted (cents per share)	12	(0.73)	(0.94)

Notes to the consolidated financial statements are included on pages 17 to 46.

Consolidated statement of financial position as at 30 June 2015

	Note	Consolidated	
		30 June 2015 \$	30 Jun 2014 \$
Non-current assets			
Prospects, rights and exploration assets	8	138,610,247	133,186,235
Property, plant and equipment	9	65,048	78,476
Other non-current assets		531,542	502,325
		139,206,837	133,767,036
Non-current assets classified as held for sale	10	557,550	562,018
Total non-current assets		139,764,387	134,329,054
Current assets			
Cash and cash equivalents		797,829	5,140,702
Receivables	11	8,872,012	9,152,760
Prepayments		88,498	46,174
Total current assets		9,758,339	14,339,636
Total assets		149,522,726	148,668,690
Equity			
<i>Equity attributable to equity holders of the parent</i>			
Share capital	13	77,488,679	77,488,679
Share premium	14	218,371,245	218,371,245
Equity reserve	14	36,255,917	36,255,917
Option reserve	14	4,814,623	4,814,623
Foreign currency translation reserve	14	(51,148,807)	(56,971,556)
Accumulated losses	27	(108,264,549)	(101,740,535)
Parent interests		177,517,108	178,218,373
Non-controlling interests		(29,050,502)	(31,260,593)
Total equity		148,466,606	146,957,780
Current liabilities			
Trade and other payables	16	826,914	1,515,530
Provisions	15	229,206	195,380
Total current liabilities		1,056,120	1,710,910
Total equity and liabilities		149,522,726	148,668,690

Notes to the consolidated financial statements are included on pages 17 to 46.

Consolidated statement of changes in equity for the year ended 30 June 2015

	Share capital \$	Share Premium \$	Other reserves \$	Option reserves \$	Translation reserve \$	Accumulated losses \$	Attributable to equity holders of the Parent \$	Non-controlling interests \$	Total \$
Balance at 1 July 2013	75,091,662	199,859,940	35,577,011	4,814,623	(47,804,870)	(94,970,765)	172,567,601	(27,087,168)	145,480,433
Loss for the year	-	-	-	-	-	(6,769,770)	(6,769,770)	(244,845)	(7,014,615)
Other comprehensive loss	-	-	-	-	(9,166,686)	-	(9,166,686)	(3,928,580)	(13,095,266)
Total comprehensive loss for the year	-	-	-	-	(9,166,686)	(6,769,770)	(15,936,456)	(4,173,425)	(20,109,881)
Placement with institutional investors	212,909	1,687,091	-	-	-	-	1,900,000	-	1,900,000
Conversion of convertible note	2,184,108	16,824,214	(458,018)	-	-	-	18,550,304	-	18,550,304
Issue of options	-	-	678,906	-	-	-	678,906	-	678,906
Value of conversion rights on convertible notes	-	-	458,018	-	-	-	458,018	-	458,018
Balance at 30 June 2014	77,488,679	218,371,245	36,255,917	4,814,623	(56,971,556)	(101,740,535)	178,218,373	(31,260,593)	146,957,780
Balance at 1 July 2014	77,488,679	218,371,245	36,255,917	4,814,623	(56,971,556)	(101,740,535)	178,218,373	(31,260,593)	146,957,780
Loss for the year	-	-	-	-	-	(6,524,014)	(6,524,014)	(285,373)	(6,809,387)
Other comprehensive income	-	-	-	-	5,822,749	-	5,822,749	2,495,464	8,318,213
Total comprehensive income/(loss) for the year	-	-	-	-	5,822,749	(6,524,014)	(701,265)	2,210,091	1,508,826
Balance at 30 June 2015	77,488,679	218,371,245	36,255,917	4,814,623	(51,148,807)	(108,264,549)	177,517,108	(29,050,502)	148,466,606

Notes to the consolidated financial statements are included on pages 17 to 46.

Consolidated statement of cash flows for the year ended 30 June 2015

	Note	Consolidated	
		30 June 2015 \$	30 June 2014 \$
Cash flows from operating activities			
Payments to suppliers and employees		(3,877,384)	(7,157,378)
Exploration expenditure		-	(842,408)
Interest received		449,131	10,364
Interest and other costs of finance paid		(238)	(330,894)
Net cash used in operating activities	25	(3,428,491)	(8,320,316)
Cash flows from investing activities			
Payments for prospects, rights and exploration	8	(2,675,729)	(1,069,050)
Payments for property, plant and equipment	9	(7,188)	(49,603)
Cash proceeds from related parties	11	1,250,000	-
Loan to related party		-	(5,489,235)
Net cash used in investing activities		(1,432,917)	(6,607,888)
Cash flows from financing activities			
Proceeds from issue of equity securities		-	1,900,000
Proceeds from convertible notes		-	21,598,313
Repayment of borrowings		-	(1,904,000)
Issue costs associated with the convertible note		-	(1,249,275)
Net cash provided by financing activities		-	20,345,038
Net (decrease)/increase in cash and cash equivalents		(4,861,408)	5,416,834
Cash and cash equivalents at the beginning of the year		5,140,702	78,740
Effects of exchange rate fluctuations on cash and cash equivalents		518,537	(354,872)
Cash and cash equivalents at the end of the year	25	797,829	5,140,702

Notes to the consolidated financial statements are included on pages 17 to 46.

Notes to the consolidated financial statements for the year ended 30 June 2015

1. General information

Nkwe Platinum Limited (“the Company”) was incorporated in Bermuda as an exempt company and is subject to the Bermudian Companies Act 1981 as amended from time to time. The Company is listed on the Australian Securities Exchange (ASX) and is domiciled in Bermuda.

The addresses of its registered offices and principal place of business are disclosed in the corporate directory to the annual report.

2. Application of new and revised Accounting Standards

2.1 Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below.

Standard		Application date of standard	Application date for Group
IFRS 9 ‘Financial Instruments’, and the relevant amending standards ¹	<p>IFRS 9 is a new standard which replaces IAS 39.</p> <p>IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments.</p> <p>Classification and measurement</p> <p>IFRS 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of IAS 39. There are also some changes made in relation to financial liabilities.</p> <p>The main changes are described below.</p> <p><i>Financial assets</i></p> <p>a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</p> <p>b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p>	1 January 2018	30 June 2019

- c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

Financial liabilities

Changes introduced by IFRS 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option.

Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows:

- ▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
- ▶ The remaining change is presented in profit or loss

IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.

Impairment

The final version of IFRS 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

IFRS 15 'Revenue from Contracts with Customers' and Amendments to IFRS15	IFRS 15 <i>Revenue from Contracts with Customers</i> replaces the existing revenue recognition standards IAS 11 <i>Construction Contracts</i> , IAS 18 <i>Revenue</i> and related Interpretations.	1 January 2018	30 June 2019
	<p>IFRS 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <ol style="list-style-type: none"> (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation 		

The impact of the above standard is yet to be determined.

3. Significant accounting policies

3.1 Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial statements were authorised for issue by the directors on 30 September 2015.

3.2 Basis of preparation

The financial statements of the Group, which comprises the Company, Nkwe Platinum Ltd, and the entities it controlled at year end or from time to time during the financial year, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). A list of the controlled entities is disclosed in note 17.

The financial statements are presented in Australian dollars (A\$). The Company is listed on the Australian Stock Exchange and has raised funds in Australia. The Company was incorporated in Bermuda as an exempt company and it is subject to the Bermudian Companies Act 1981 as amended from time to time. The Company is not subject to the Australian Corporations Act 2001. The company is domiciled in Bermuda.

As at the date of reporting, Nkwe Platinum Ltd is a listed public company on the ASX (NKP).

The financial report has been prepared on the basis of historical cost, except for assets held for sale which are measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holdings of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and

any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

3.4.1 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

3.6 Comparatives

Comparative information has been restated to reflect the share premium account separately from share capital in accordance with the requirements of the Bermudian Companies Act 1981.

3.7 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the consolidated statement of financial position.

3.8 Going concern basis

The consolidated financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the year ended 30 June 2015, the Group incurred a loss after tax of \$6,809,387 (2014: \$7,014,615) and a net cash outflow from operations of \$3,428,491 (2014: \$8,320,316). At 30 June 2015, the Group had net current assets of \$8,702,219 (2014: \$12,628,726), current liabilities of \$1,056,120 (2014: \$1,710,910) and current cash holding was \$797,829 (2014: \$5,140,702).

The directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of going concern basis of accounting is appropriate as they believe the Group will continue to raise further funds and meet its expenditure commitments as required. This takes into account that the Company will receive \$8,660,887 from Genorah SA being amounts owed to it following settlement of the share sale agreement between Genorah SA and Jin Jiang Mining Limited.

In the event that the Group is unable to raise additional funds to meet the Group's ongoing working capital requirements when required, there is a material uncertainty as to whether the Group will be able to meet its debts as and when they fall due and thus continue as a going concern.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

3.9 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

3.10 Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('\$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

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3.11 Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Contributions to defined contribution superannuation plans are expensed when incurred.

3.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.12.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.12.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.16 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.16.1 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3.16.1.1 Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

3.16.1.2 Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

3.16.1.3 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets that are carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial asset that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve.

3.16.1.4 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.16.2 *Financial liabilities and equity instruments*

3.16.2.1 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

3.16.2.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group of entity are recognised at the proceeds received, net of direct issue costs.

3.16.2.3 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

3.16.2.4 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

3.16.2.5 Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.16.2.6 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.17 **Goods and services tax and Value added taxes**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) or value added tax (VAT), except:

- i. where the amount of GST or VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST or VAT.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

3.18 Prospects, rights and exploration assets

Mining assets comprise exploration costs, mining plant and equipment and mineral properties. Exploration costs on mineral exploration prospects are accumulated separately for each area of interest (an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proven to contain such a deposit) and are carried forward on the following basis:

- i. each area of interest is considered separately when deciding whether and to what extent to carry forward or write-off exploration costs.
- ii. rights to prospect in the area of interest are current, provided that such costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.
- iii. the carrying values of mineral exploration prospects are reviewed by directors where results of exploration of an area of interest are sufficiently advanced to permit a reasonable estimate of the costs expected to be recouped through successful developments and exploitation of the area of interest or by its sale. Expenditure in excess of this estimate is written-off to profit or loss in the period in which the review occurs.
- iv. at each reporting date, management assesses whether there is any indication that exploration and evaluation expenditure carried forward may be impaired. If any such impairment exists, the carrying amount is written-down to the higher of fair value less costs to sell and value in use in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources*.
- v. when these mining assets enter the production stage, these assets will be amortised on a life of mine basis

3.19 Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends)
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

3.20 Share-based payments

Share-based payments are accounted for in terms of IFRS 2. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments made to employees are expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Share-based payments relating to the issue of equity instruments are recognised directly in equity.

Fair value in relation to non-employees is determined by measuring the value of goods or services received by the Company at market price. If the fair value of the goods or services received cannot be estimated reliably, fair value is measured according to the fair value of equity instruments granted by use of the Black Scholes model. The expected life used in the model has been adjusted based on management's best estimate for the effects of volatility, exercise restrictions and discounting.

3.21 Convertible notes

The component of the convertible notes which exhibit characteristics of a borrowing is recognised as a liability in the statement of financial position, net of transaction costs. On the issue of convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible note and this amount is carried as a long term liability on an amortised cost basis until extinguished on conversion or redemption.

The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds of the convertible note is the equity component, which is allocated to share capital that is recognised and included in shareholders equity. The carrying amount of the reserve is not re-measured in subsequent years.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period on which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Value of investments

The Group has decided to classify investments in listed and unlisted securities as "held-for-trading" investments and movements in fair value are recognised directly in statement of comprehensive income. The fair value of listed shares has been determined by reference to published price quotations in an active market.

Exploration and evaluation expenditure

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided certain conditions listed in note 3.18 are met. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. These calculations and reviews require the use of assumptions and judgement.

Share based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined with the assistance of an external valuer using a Black Scholes model. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity. The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black Scholes model, taking into account the terms and conditions upon which the instruments were granted.

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5 Segment reporting

For management purposes, the Group is organised into one main operating segment, which involves mining exploration for platinum. All of the Group's activities are interrelated, and discrete financial information is reported to the board of directors (Chief Operation Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The geographical location of the Group's non-current assets are:

	2015	2014
	\$	\$
Non-current assets		
South Africa	139,206,837	133,767,036
Australia	-	-

6. Administration and corporate expenses

	2015	2014
	\$	\$
Directors fees	731,079	641,225
Corporate management	1,105,489	3,872,079
Other	386,745	1,658,828
	2,223,313	6,172,132

7. Income taxes

7.1 Income tax recognised in profit or loss

	2015	2014
	\$	\$
Current tax	-	-
Deferred tax	-	-
	-	-

Taxation for each jurisdiction is calculated at the rate prevailing in the respective jurisdictions as follows:

- Bermuda (domestic) 0%
- South Africa 28%
- Australia 30%

The income tax expense for the year can be reconciled to the accounting loss as follows:

	2015	2014
	\$	\$
Loss before tax from continuing operations	(6,809,387)	(7,014,615)
Income tax expense calculated at 30% (2014: 30%)	(2,042,816)	(2,104,385)
Effect of different tax rates of group entities operating in a different jurisdiction	1,776,534	1,862,373
Effect of expenses that are not deductible in determining taxable loss	1,404,503	21,239
Tax effect of proposed sale (Rooderand)	-	575,886
Deferred tax assets not brought to account	(773,179)	(247,920)
Effect of unused tax losses not recognised as deferred tax assets	(365,042)	(107,193)
	-	-

7.2 Unrecognised deferred tax assets

Unused tax losses (revenue) for which no deferred tax assets have been recognised
Potential tax benefit

	2015 \$	2014 \$
	30,253,333	22,639,526
	8,470,933	6,350,120

Tax losses

Unused tax losses for which no deferred tax asset has been recognised will be subject to the Company satisfying the requirements imposed by the regulatory taxation authorities. The benefits of deferred tax assets will only be recognised if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- The conditions for deductibility imposed by tax legislation continue to be complied with; and
- No changes in tax legislation adversely affect the Company in realising the benefit.

8. Prospects, rights and exploration assets

Balance at beginning of year
Exploration costs capitalised
Prospects and rights impaired (i)
Effect of exchange rate variance
Balance at end of year

	2015 \$	2014 \$
	133,186,235	145,048,670
	2,675,729	966,845
	(4,840,004)	(86,885)
	7,588,287	(12,742,395)
	138,610,247	133,186,235

(i) During the year ended 30 June 2015, the Group recognised an impairment expense of \$4,840,004 (2014: \$86,885). The impairment expense in the current reporting year relates to certain non-core assets where the Group has made the decision to discontinue and therefore the full remaining carrying value has been written down to nil.

Amortisation is not currently being charged pending the commencement of production. Accordingly, the carrying values are equivalent to cost.

The directors have reviewed all exploration projects for indicators of impairment in light of approved budgets. Where substantive expenditure is neither budgeted nor planned, the area of interest has been written down to its fair value less costs to sell. In determining fair value less costs to sell (by using a market comparison approach), the directors had regard to the best evidence of what a willing participant would pay in an arm's length transaction. Where no such evidence was available, areas of interest were impaired to nil pending the outcome of any future farm out arrangement. The Company will continue to look to attract farm-in partners and/or recommence exploration should circumstances change.

Nkwe Platinum Limited has previously reported DMR sponsored negotiations with Anglo Platinum Ltd ("APL") and African Rainbow Minerals ("ARM") to resolve a long standing dispute as to tenure across 9 farms including the 3 farms subject to the Mining Right. The Company has maintained that the dispute was resolved by agreement between the parties in 2008 (as publicly announced by all parties) but has pursued negotiations in good faith and in addition to efforts by the DMR to negotiate a quick and equitable resolution. It is the intention of Nkwe Platinum Limited and Genorah to continue to negotiate in good faith and attempt to resolve the final settlement issues outstanding.

8. Prospects, rights and exploration assets (cont'd)

The PAJA (Administrative Justice Act) review proceedings instigated by Anglo Platinum Limited and the Modikwa Joint Venture are ongoing and will be defended in the event that a settlement cannot be reached.

Nkwe Platinum Limited maintains that the legal tenure of the 3 farms cannot be abrogated and has received legal advice confirming this view.

Recoverability of the carrying amount of Prospects, rights and exploration assets is dependent on the successful development and commercial exploitation of areas of interest and the sale of minerals or the sale of the respective areas of interest.

9. Property, plant and equipment

Carrying amounts of:

Computer equipment

Furniture and fittings

Motor vehicles

	2015		2014	
	\$		\$	
	12,596		13,956	
	5,553		8,885	
	46,899		55,635	
	65,048		78,746	
	Computer equipment	Furniture & fittings	Motor vehicles	Total
	\$	\$	\$	\$
Cost				
Balance at 1 July 2013	68,161	240,396	118,912	427,469
Additions	7,632	2,066	56,578	66,276
Disposals	-	(895)	-	(895)
Exchange difference	(5,756)	(6,694)	(7,724)	(20,174)
Balance at 30 June 2014	70,037	234,873	167,766	472,676
Additions	5,407	1,887	-	7,294
Exchange difference	3,668	18,779	7,545	29,992
Balance at 30 June 2015	79,112	255,539	175,311	509,962
Accumulated depreciation				
Balance at 1 July 2013	53,479	112,335	118,912	284,726
Depreciation expense	6,955	118,748	943	126,646
Exchange difference	(4,353)	(5,095)	(7,724)	(17,172)
Balance at 30 June 2014	56,081	225,988	112,131	394,200
Depreciation expense	5,569	4,257	8,736	18,562
Exchange difference	4,866	19,741	7,545	32,152
Balance at 30 June 2015	66,516	249,986	128,412	444,914
Carrying amount				
Balance as at 30 June 2014	13,956	8,885	55,635	78,746
Balance as at 30 June 2015	12,596	5,553	46,899	65,048

10. Non-current assets classified as held for sale

	2015	2014
	\$	\$
Balance at beginning of the year	562,018	660,245
Impairment of assets held for sale	(36,645)	(35,126)
Foreign exchange movement	32,177	(63,101)
Balance at end of the year	557,550	562,018

During the prior year, the Company reached an agreement with Realm and JSE listed Chrometco Ltd (JSE: CMO) to alter the agreement that Nkwe Platinum Limited had with Realm with respect to the Company's Rooderand prospect. Under the agreement, Nkwe would receive a total of 45 million shares in Chrometco in two tranches – effectively holding a 16% stake in Chrometco. The condition of the first tranche (10 million shares) was satisfied following the approval at the Chrometco shareholders meeting and Nkwe transferring its geological data to Chrometco. At 30 June 2015, these shares has not yet been received and was therefore recognised as a receivable (refer to note 11).

The final 35 million shares is due upon satisfaction of a number of conditions precedent which includes the renewal of the prospecting right and a Section 102 Consent of the Mineral and Petroleum Resources Development Act application being granted to Chrometco.

As such, the Company has transferred the costs associated with the Rooderand assets from Prospects, rights and exploration assets to non-current assets classified as held for sale. The fair value of the asset held for sale has been determined with reference to the fair value of the 35 million shares receivable from Chrometco. In September 2015, Chrometco advised that it has received a letter from the Department of Mineral Resources granting consent in terms of section 102 of the Mineral and Petroleum Resources Development Act No 28 of 2002 to include PGMs, base and other metals to the existing mining right for Chrometco over the remainder portion of Rooderand. This is a major milestone towards the completion of the sale. Chrometco can now proceed with the amendment to the mining right to conclude the sale and issue of 35,000,000 shares to Nkwe Platinum.

11. Receivables

	2015	2014
	\$	\$
Loan receivable from related parties (i)	3,014,424	3,499,685
Short term loan to related party (ii)	5,489,236	5,489,236
Chrometco shares receivable (refer to note 10)	50,445	160,576
Other current receivables	317,907	3,263
	8,872,012	9,152,760

(i) Included in receivables are amounts receivable from related parties of \$3,014,424 (2014: \$3,499,685). This comprises of short term receivable from related parties being Genorah of \$3,014,424 (2014: 2,592,437) and Okap Ventures Pty Ltd (a company related to Mr. Peter Landau) of nil (2014: \$1,250,000) respectively. The amount of \$1,250,000 owed by Okap was received during the year. The amounts outstanding at 30 June 2015 are unsecured, non-interest bearing with no fixed repayment terms. The amount receivable from Genorah of \$3,014,424 is repayable to Nkwe Platinum Ltd directly by Zijin Mining Group Ltd on completion of the share purchase transaction subject to certain conditions precedent being satisfied

(ii) An outstanding loan of \$5,489,236 is repayable to Nkwe Platinum Ltd directly by Zijin Mining Group Ltd on completion of the share purchase transaction subject to certain conditions precedent being satisfied. The receivable is unsecured, non-interest bearing with no fixed repayment terms.

12. Loss per share

	2015 cents per share	2014 cents per share
Basic and diluted loss per share	0.73	0.94

12.1 Basic and diluted loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2015 \$	2014 \$
Loss for the year attributable to owners of the Company	(6,524,014)	(6,769,770)
	2015 No.	2014 No.
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	896,333,973	717,480,055

268,840,028 share options on issue at year end (2014: 268,840,028) are not considered dilutive as the conversion of options to ordinary shares will result in a decrease in the earnings per share

13. Share capital

	2015 \$	2014 \$
896,333,973 fully paid ordinary shares (30 June 2014: 896,333,973)	77,488,679	77,488,679

Fully paid ordinary shares

	30 June 2015		30 Jun 2014	
	No.	\$	No.	\$
Balance at beginning of year	896,333,973	77,488,679	674,757,973	75,091,662
Conversion of convertible note facility and interest (i)	-	-	202,576,000	2,184,108
Placement (ii)	-	-	19,000,000	212,909
	896,333,973	77,488,679	896,333,973	77,488,679

(i) During the 2014 financial year, the Company converted the full \$20 million convertible note facility with Zijin Mining Group Ltd's subsidiary, Jin Jiang Mining Ltd at \$0.10 each along with accrued interest.

(ii) During the 2014 financial year, the Company issued 19,000,000 shares to Jin Jiang Mining Ltd at \$0.10 each.

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

14. Share premium and reserves

	2015 \$	2014 \$
Share premium		
Balance at beginning of year	218,371,245	199,859,940
Premium on shares issued	-	18,511,305
Balance at end of year	218,371,245	218,371,245

The share premium is used to record the premium arising on the issue of shares calculated as the difference between the issue price and the par value.

14. Share premium and reserves (cont'd)

	2015	2014
	\$	\$
Option reserves		
Balance at beginning of year	4,814,623	4,814,623
Addition	-	-
Balance at end of year	4,814,623	4,814,623

The option reserve is used to record the proceeds received on issue of options to investors as part of the capital raising.

	2015	2014
	\$	\$
Equity reserves		
BEE credentials (i)	19,690,253	19,690,253
Share based payment reserves	16,565,664	16,565,664
Balance at end of year	36,255,917	36,255,917

- (i) The reserve in respect of the BEE credentials relates to the issue of shares in 2006 for the purposes of obtaining a sufficient black economic empowerment shareholding in the Company, so as to be compliant with mining legislation in South Africa. The related asset in respect of the BEE credential was subsequently fully impaired.
- (ii) The share based payment reserve is used to recognise the value of equity benefits provided to directors as part of their remuneration and consultants as part of their compensation for services.

	2015	2014
	\$	\$
Share based payment reserve		
Balance at beginning of year	16,565,664	15,886,758
Value of options issued	-	678,906
Balance at end of year	16,565,664	16,565,664

No options were issued in the current financial year (2014: 19,130,413). Issued options were valued based on the market value of listed options at grant date.

Foreign currency reserve

The reserve issued to recognise exchange difference arising from translation of financial statements of foreign operations to Australian dollars.

15. Provisions

	2015	2014
	\$	\$
Employee benefits	229,206	195,380

16. Trade and other payables

	2015	2014
	\$	\$
Trade and other payables	467,426	747,974
Accrued expenses	359,488	767,556
	826,914	1,515,530

17. Subsidiaries

Details of the Company's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Place of incorporation	Proportion of ownership interest and voting power held by the Group	
		2015	2014
Parent entity			
Nkwe Platinum Limited	Bermuda	n/a	n/a
Subsidiaries			
Nkwe Platinum (South Africa) (Pty) Ltd	South Africa	70%	70%
Nkwe Platinum (De Wildt) (Pty) Ltd	South Africa	70%	70%
Nkwe Platinum (De Wildt-2) (Pty) Ltd	South Africa	70%	70%
Nkwe Platinum (Bokfontein) (Pty) Ltd	South Africa	70%	70%
8 Mile Investments 226 (Pty) Ltd	South Africa	70%	70%
Nkwe Platinum (Rooderand) (Pty) (Ltd)*	South Africa	70%	70%
8 Mile Investments 213 (Pty) Ltd	South Africa	70%	70%
Nkwe Platinum (Management) (Pty) (Ltd)	South Africa	70%	70%
Nkwe Platinum (Ruighoek) (Pty) Ltd	South Africa	67%	67%
Ruighoek Platinum (Pty) Ltd	South Africa	70%	70%
Nkwe Platinum (Tinderbox) (Pty) Ltd	South Africa	70%	70%
Nkwe Platinum (East) (Pty) Ltd	South Africa	70%	70%
Nkwe Platinum (Northam) (Pty) Ltd	South Africa	70%	70%
Nkwe Eastern Limb (Pty) Ltd	South Africa	100%	100%
Nkwe Platinum (Australia) Pty Ltd	Australia	100%	100%

* Subject to sale and purchase agreements with Realm Resources Limited and Chrometco Limited as disclosed in note 10.

The principal activities of the South African subsidiaries are the acquisition, exploration, development and commercialisation of platinum group and associated base metal projects in the Republic of South Africa. The principal activity of Nkwe Platinum (Australia) Pty Ltd is to provide corporate, consultancy and administration services to the Group.

17.1 Details of non-wholly owned subsidiaries that have material non-controlling interests

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation/Place of business	2015	2014
Nkwe Platinum (South Africa) (Pty) Ltd	South Africa	30%	30%

Name	Profit (loss) allocated to non-controlling interest		Accumulated non-controlling interest	
	2015 \$	2014 \$	2015 \$	2014 \$
Nkwe Platinum (South Africa) (Pty) Ltd	(285,373)	(229,002)	(29,050,502)	(31,260,593)

Summarised financial information in respect of the subsidiary is provided below. The summarised financial information below represents amounts before intragroup eliminations.

Nkwe Platinum (South Africa) (Pty) Ltd	2015 \$	2014 \$
Current assets	4,008,062	8,655,180
Non-current assets	132,954,754	123,947,389
Current liabilities	(205,756)	(582,448)
Non-current liabilities	(233,592,066)	(236,222,098)
Equity attributable to owners of the Company	(96,835,006)	(104,201,977)
Non-controlling interests	(29,050,502)	(31,260,593)
	2015 \$	2014 \$
Revenue	398,602	156,650
Reversal of rehabilitation provision	-	522,538
Administrative expenses	(1,155,894)	(675,741)
Exploration expenses	-	(752,408)
Impairment expenses	(36,645)	(35,126)
Other expenses	(157,306)	(9,254)
Loss for the year from continuing operations	(951,243)	(763,341)
Loss attributable to non-controlling interests	(285,373)	(229,002)

18. Financial instruments

18.1 Capital management

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital management requires the maintenance of a strong cash balance to support ongoing exploration.

Given the nature of the business, the Group monitors capital on the basis of current business operations and cash flow requirements. There were no changes in the Group's approach to capital management during the year. The Group is not subject to any externally imposed capital requirements.

18.2 Categories of financial instruments

	2015	2014
	\$	\$
Financial assets		
Cash and cash equivalents	797,829	5,140,702
Trade and other receivables	8,872,012	9,152,760
Non-current assets held for sale	557,550	562,018
	10,227,391	14,855,480
Financial liabilities		
Trade and other payables	826,914	1,515,530
	826,914	1,515,530

The fair value of the above financial instruments approximates their carrying values.

18.3 Financial risk management objectives

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of those risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the Group where such impacts may be material. The Board receives monthly financial reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

18.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, which optimising the return.

Equity price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the statement of financial position as available for sale. The Group is not exposed to commodity price risk.

The Chrometco shares receivable (*refer note 11*) are valued at the share price of Chrometco Limited at year end.

The following table provides a summary of the impact of increase/decrease of the Chrometco share price on the consolidated entity's post tax loss for the year. The analysis is based on the assumption that the share price had increased/decreased by 10% (2014: 10%) with all other variables held constant.

	Impact on loss (decrease)/increase	
	2015	2014
	\$	\$
+10%	(60,799)	(77,259)
-10%	60,799	77,259

18.5 Interest rate risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents) which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The Group does not enter into any derivative instruments to mitigate this risk. As this is not considered a significant risk for the Group, no policies are in place to formally mitigate this risk.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended 30 June 2015 would increase/decrease by \$7,978 (2014: \$ 51,407).

18.6 Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies

Exposure to credit risk

The carrying value of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	2015	2014
	\$	\$
Cash and cash equivalents	797,829	5,140,702
Loans and receivables	8,872,012	9,152,760
	9,669,841	14,293,462

18.7 Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Contractual cash flows

	Carrying Amount	Less than 1 month	1-3 months	3-12 months	1 year to 5 years	Total contractual cash flows
	\$	\$	\$	\$	\$	\$
2015						
Trade and other payables	826,914	826,914	-	-	-	826,914
2014						
Trade and other payables	1,515,530	-	-	1,515,530	-	1,515,530

18.8 Foreign currency risk

The Group is exposed to currency risk on investments, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The exposure at year-end is not material. The Group has not entered into any derivative financial instrument to hedge such transactions.

The parent's investments in its subsidiaries are not hedged as those currency positions are considered to be long term in nature.

18.9 Commodity price risk

The Group operates primarily in the exploration and evaluation phase and accordingly the Group's financial assets and liabilities are subject to minimal commodity price risk.

19. Key management personnel

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	2015	2014
	\$	\$
Short-term employee benefits	731,079	935,622

Short-term employee benefits

The compensation of each member of the key management personnel of the Group is set out in the remuneration table on page 8.

20. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

20.1 Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to the remuneration table contained in the directors' report and note 19.

	2015 \$	2014 \$
Consulting fees paid to Okap Ventures Pty Ltd ("Okap"), a company in which Mr. Landau is a director for the provision of corporate advisory, capital raising, investor relation, CFO finance management services, ASX/ASIC compliance, company secretarial and associated services. Okap also provided facilities in both London and Perth	18,000	990,000
Exploration camp rental expenses paid to Brown Pebble Investment Pty Ltd, a company in which Mr. Mphahele has an interest	108,319	110,790
Consultancy fees paid to Nunobytes (Pty) Ltd, a company in which S Sithole is a director	57,409	9,715

During the course of the year, the Group recouped expenses of A\$764,739 (2014: \$556,933) from Genorah Resources (Pty) Ltd, a company in which Mr. Mphahlele, Mr. Pandor and Ms. Sithole are directors and shareholders. The outstanding balance at 30 June 2015 is disclosed in note 11. The amount is unsecured and will be settled in cash. No expenses have been recognised in the period for bad or doubtful debts in respect of the amount owed by related party.

20.2 Directors' equity holdings

	2015	2014
Ordinary shares		
Opening balance	665,000	665,000
Purchase during the year by directors and their related parties	-	-
Reversal upon resignation	(665,000)	-
Ending balance	-	665,000

No options were held by directors or their related parties (2014: Nil)

20.3 Other related party transactions

For details of other related party transactions, refer to note 11.

21. Commitments for expenditure**(a) Leasing commitments**

Leasing arrangements for rental of office space
Not longer than 1 year
Longer than 1 year and not longer than 5 years

	2015	2014
	\$	\$
	89,574	77,644
	175,783	250,500
	265,357	328,144

22. Contingent liabilities and contingent assets

There are no significant contingencies at balance date in the current or prior reporting periods.

23. Remuneration of auditors**Auditor of the Group**

Audit and review of financial reports
Ernst & Young Australia
Ernst & Young South Africa

	2015	2014
	\$	\$
	53,590	58,300
	54,396	102,808
	107,986	161,108

The auditor of the Group is Ernst & Young.

24. Options

24.1 The following option arrangement was in existence at the reporting date:

Option series	Number	Grant date	Exercise price \$	Expiry date	Vesting date
1	268,840,028	various ⁱ	0.100	31 Mar 2016	Vested

ⁱ 19,130,413 options were issued during the 2014 financial year and 249,709,615 options were issued during the 2013 financial year.

There has been no alteration of the terms and conditions of the above option arrangement since the grant date.

24.2 Movements in options during the year

The following reconciles options outstanding at the beginning and end of the year:

	2015		2014	
	Number of options No.	Weighted average exercise price \$	Number of options No.	Weighted average exercise price \$
Balance at beginning of the year	268,840,028	0.100	249,709,615	0.100
Granted during the year	-	-	19,130,413	0.100
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at end of year	268,840,028	0.100	268,840,028	0.100
Exercisable at end of year	268,840,028	0.100	268,840,028	0.100

24.3 Options outstanding at the end of the year

Options outstanding at the end of the year had a weighted average exercise price of \$0.100 (2014: \$0.100) and a weighted average remaining contractual life of 275 days (2014: 640 days).

Options issued during the prior year were based on the market value of the listed options at the grant date.

25. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2015	2014
	\$	\$
Cash and bank balances	797,829	5,140,702

25. Cash and cash equivalents (cont'd)

	2015 \$	2014 \$
Cash flow from operating activities		
Loss for the year	(6,809,387)	(7,014,615)
Adjustments for:		
Depreciation and amortisation	18,562	126,646
Reversal of rehabilitation provision	-	(552,538)
Unrealised foreign exchange loss/(gain)	1,268	(1,831)
Share-based payments	-	678,906
Impairment of prospects, rights and exploration assets	4,840,004	86,885
Impairment of assets held for sale	36,645	35,126
Revaluation of listed investments and receivables	157,050	10,036
Movements in working capital		
Decrease in trade and other receivables	(1,017,843)	177,224
Increase/(decrease) in current payables	(688,616)	(1,866,155)
Increase in provisions	33,826	-
Net cash flow from operating activities	(3,428,491)	(8,320,316)

26. Fair value disclosures

As of 1 July 2009, Nkwe Platinum Limited has adopted the amendment to *IFRS 7 – Financial Instruments: Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within the level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2015				
Assets				
Non-current asset held for sale				
Equity securities receivable (Note 10)	-	557,550	-	557,550
Available for sale trading assets				
Equity securities receivable (note 11)	50,445	-	-	50,445
Total assets	50,445	557,550	-	607,995

26. Fair value disclosures (cont'd)

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2014				
Assets				
Non-current asset held for sale				
Equity securities receivable (Note 10)	-	562,012	-	562,012
Available for sale trading assets				
Equity securities (note 11)	160,576	-	-	160,576
Total assets	<u>160,576</u>	<u>562,012</u>	<u>-</u>	<u>772,588</u>

The fair value of financial instruments in active markets such as available for sale securities is based on quoted market bids at the end of the reporting period. The quoted market price used for financial assets held by the consolidate entity is the current bid price.

The consolidated entity does not currently have any financial instruments that are not traded in an active market included in level 2 and 3.

27. Accumulated losses

	2015	2014
	\$	\$
Balance at the beginning of the year	(101,740,535)	(94,970,765)
Net loss attributable to members of the parent entity	(6,524,014)	(6,769,770)
Balance at the end of the year	<u>(108,264,549)</u>	<u>(101,740,535)</u>

28. Events after the reporting period

On 21 July 2015, the Company announced that Genorah Resources (Australia) (Pty) Ltd and Genorah Resources (Pty) Ltd (together referred to as "Genorah SA") has entered into a Sale of Shares Agreement ("Agreement") with Jin Jiang Mining Limited ("Jin Jiang") and the Company. Jin Jiang will acquire 305,833,120 fully paid ordinary shares in Nkwe Platinum Limited which are held by Genorah SA for a cash consideration of \$0.10 per share totalling \$30,583,312. The Company will receive cash proceeds of \$8,660,887 being amounts owed to the Company by Genorah SA. approximately in October 2015.

29. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 30 September 2015.

ASX Additional Information as at 27 November 2015

Ordinary share capital

896,333,973 fully paid ordinary shares are held by 3,868 individual shareholders.

Each ordinary share is entitled to vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

268,840,028 **listed** \$0.10 Options expiring 31 March 2016 are held by 1,054 holders

Options do not carry a right to vote.

Distribution of holders of equity securities

Category	Fully paid ordinary shares	Options
1 – 1,000	248	159
1,001 – 5,000	1,002	291
5,001 – 10,000	749	106
10,001 – 100,000	1,414	303
100,001 and over	455	195
	3,868	1,054
Holding less than a marketable parcel	1,290	711

Substantial shareholders

Name	Fully paid ordinary shares	Percentage %
Jin Jiang Mining Limited	531,409,120	59.29

Twenty (20) largest shareholders – Fully paid ordinary shares

Name	Number of Shares Held	% of Issued Capital
Jin Jiang Mining Limited	531,409,120	59.29
Inyanga Consolidated Investments (Pty) Ltd	32,792,446	3.66
Gleneagle Securities Nominees Pty Limited	18,300,700	2.04
HSBC Custody Nominees (Australia) Limited	14,997,355	1.67
Oracle Securities Pty Ltd	10,000,000	1.12
Mr David Alan MacDougall & Mrs Lina MacDougall <David MacDougall Invest A/C>	6,085,000	0.68
Citicorp Nominees Pty Limited	5,736,413	0.64
Mr Albert John Matthews & Mrs Betty June Matthews <The BJM S/F A/C>	5,175,000	0.58
J P Morgan Nominees Australia Limited	4,156,365	0.46
Graceford Holdings Pty Ltd <Graceford Super Fund A/C>	3,406,000	0.38
Grossmill Investments Pty Ltd	3,133,611	0.35
Mr Steven Lionel Tate & Mrs Sharlene Norma Tate	3,088,320	0.34
Doull Consolidated Limited	3,000,000	0.33
HNC Pty Ltd <The Sagers Super Fund A/C>	2,725,829	0.30
Satori International Pty Ltd <Satori S/F A/C>	2,500,000	0.28
Mr Peter Charles Morey & Mrs Valmai Ann Morey <Morey Super Fund A/C>	2,465,540	0.28
Mr Stephen Charles Stuart Watts <Watts Family A/C>	2,448,860	0.27
Almesh Pty Ltd <Symba Retirement Fund A/C>	2,210,000	0.25
ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/C>	2,088,941	0.23
Mr Norman David Keane	2,012,760	0.22
	657,732,260	73.37

Twenty (20) largest option holders – Listed options (exercisable at \$0.10, expiring 31 March 2016)

Name	Number of Options Held	%
HSBC Custody Nominees (Australia) Limited – A/C 2	87,338,820	32.49
Ms Liyulong Sun	16,849,956	6.27
Mr David Chen	9,382,133	3.49
Mrs Gina Clare Fialla	8,000,068	2.98
Thi Ly Huong Pham	6,070,000	2.26
B & J Thompson Holdings Pty Ltd	5,750,000	2.14
Mr Donald Charles Gray & Mrs Robyn Shirley Gray <Robdon Super Fund A/C>	3,885,285	1.45
Mr Brendan Cluff	3,350,000	1.25
Mr Ian David Bett	3,347,223	1.25
UBS Wealth Management Australia Nominees Pty Ltd	3,025,966	1.13
Mr Joseph Claude Carbone & Mrs Joy Lorraine Carbone <Wild River Super Fund A/C>	3,000,000	1.12
Mr Glen Daryl Joseph & Mr Gary Keith Joseph <G & G Joseph Super Fund A/C>	3,000,000	1.12
Mr Michael Lewis Thompson	2,925,000	1.09
HSBC Custody Nominees (Australia) Limited	2,607,635	0.97
Endiside Pty Ltd	2,500,000	0.93
Mr Mark Koussas & Mrs Faye Koussas	2,450,280	0.91
Jamie Brew Golf Services P/L <Brew Family A/C>	2,442,545	0.91
Dr Sunitha Panackal	2,380,273	0.89
Mr Vlasos Christodoulou	2,300,000	0.86
Satori International Pty Ltd <Satori S/F A/C>	2,235,001	0.83
	172,840,185	63.34

Schedule of tenements

Location	Project Area	Ownership ¹	Total Hectares (approx.)
North West Province, Republic of South Africa	Rooderandt*	100%	535
North West Province, Republic of South Africa	Ruighoek	49% of 53/100 undivided shares over certain portions	2,587
Limpopo Province, Republic of South Africa	Garatau Project	74%	3,300
Limpopo Province, Republic of South Africa	Tubatse Project	64%	7,200

¹ Nkwe Platinum Ltd is 70% owner of Nkwe Platinum SA Pty Ltd. Nkwe Platinum SA Pty Ltd owns 100% of the Projects however, under the *Mineral and Petroleum Resources Development Act 2002* there is a requirement for Black Economic Empowerment ('BEE') participation of 26% for private applications and 51% for state applications. Nkwe Platinum SA Pty Ltd agreed a BEE transaction with Blue Nightingale Trading 709 (Pty) Ltd so that it will own 30% of the issued capital of Nkwe Platinum SA Pty Ltd and has no direct interest in the Project areas.

* Subject to sale and purchase agreements with Chrometco Limited.