

21 April 2005

The Manager  
Company Announcements Office  
Australian Stock Exchange  
20 Bridge Street  
Sydney NSW 2000

**By Electronic Lodgment**

Dear Sir

**NKWE INVESTOR INSIGHT AND RECENT PRESS ARTICLES**

Please find attached an Investor Insight outlining Nkwe's current corporate strategy and upcoming milestones.

Also attached is press coverage from a recent institutional investor, broker and press tours of Nkwe's projects in South Africa.

Yours faithfully



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# **INVESTOR INSIGHT**

**Craig Oliver, Managing Director, Nkwe Platinum Limited**

## **Nkwe begins June Quarter 2005 with 15Moz of PGM, BEE compliant and cashed up to commence the De Wildt Feasibility Study**

**21 April 2005**

**Nkwe has announced the Board is focused on taking the De Wildt project to bankable feasibility in 2005. What is the significance of a bankable feasibility study (BFS) for shareholders?**

**Craig Oliver**

A BFS is the final step in proving up reserves, confirming the recoverability of the ore, proving the economics of the projects and moving into production and cash flow. Since listing, it has been our stated objective to have one project in BFS in 2005 and commercialisation in 2006 and we will achieve this objective.

The keys to commencing the BFS are to secure the issue of new order rights and to announce the next resource upgrade at Nkwe Project Area (NPA) 1 De Wildt to 10 Moz. We are on track to achieve both of these.

The BFS highlights the company's growing confidence in its platinum assets. In South Africa the risk and complexity of a BFS for platinum projects, on the well developed western limb of the Bushveld Complex, are considered low due to the continuity of the resource, the high level of mining expertise and the number of other projects in the area.

De Wildt is our first project to enter BFS because it now has resources of 7.2 Moz PGM ounces with additional targets and 6km of outcrop.

**Investor Insight**

**Providing the BFS proves economic, what is the De Wildt development timeline?**

**Craig Oliver**

We were expecting to commence the BFS in the March Quarter of 2005. There has been a delay of up to 6 weeks on the commencement of BFS due to delays in granting the New Order Rights under the New Mineral and Petroleum Resources Development Act.

While this delay is frustrating, we remain on track to complete the BFS within the stated 12 months timeframe. Following a successful BFS, the company will need a short period to secure financing before commencing a 12 month construction and commissioning process which will commence in 2006. The goal is to achieve steady state production in 2007.

**Investor Insight**

**How much will Nkwe need to raise to fund the De Wildt development?**

**Craig Oliver**

Our current funding is sufficient to complete the BFS. The company raised \$9M during the September Quarter of 2004 and after funding the Kliprivier acquisition (announced in December 2004) we have cash of more than \$5M. At this stage, it is too early to outline the total cost involved in moving into production. However, Nkwe has been pleased by the significant level of interest

shown in the company from Canadian, European and Australian investors and we do not believe raising capital should be a major hurdle.

### **Investor Insight**

**Nkwe is addressing Black Economic Empowerment (BEE) at the exploration phase. As the company moves forward, how does BEE assist your strategy?**

#### **Craig Oliver**

BEE remains a key part of our growth strategy as it sets the guidelines under which companies operate in South Africa to qualify for state granted mineral rights or acquiring minerals and forming joint ventures with the major producers. The spirit of the charter is that the company must provide historically disadvantaged South African groups with equity participation, employment, training and community support.

We have spent a significant amount of time over the past year cementing relationships with BEE partners. In December 2004, our BEE relationships materialised with our new partners, Tiego Moseneke and Gopolang Makokwe, entering into a non-dilutive transaction with our largest shareholder to acquire 28% of the company when those shares come out of escrow in late September 2005. Tiego Moseneke and Gopolang Makokwe already have the voting rights to those shares and they have both been appointed to the Nkwe Board.

Nkwe has appointed local BEE partners for three of our prospects, they work with our highly experienced in-country team of geologists and Nkwe has positioned itself for compliance with the BEE objectives of the South African Mining Charter and is now fully BEE compliant at an equity level.

We will continue to fine-tune our BEE structure to ensure Nkwe remains BEE-compliant, the benefits are shared by all parties and the company is well placed to take advantage of further contiguous acquisitions as they arise.

### **Investor Insight**

**Nkwe suffered a set back in September 2004 when Anglo Platinum withdrew from negotiations over the Elandsfontein and Rooderand properties. What impact has this had on Nkwe and are you likely to have further negotiations with Anglo?**

#### **Craig Oliver**

It was disappointing not to complete the Anglo negotiations. However, we are in the fortunate position of having four platinum projects all capable of becoming mines in their own right.

The most profound impact of the Anglo withdrawal was an immediate 40% decline in our share price, half of which has since been recovered. For Nkwe it is business as usual and we remain focused on the development of the NPA 1 De Wildt.

We continue to evaluate opportunities to acquire a range of land holdings from companies including Anglo where they are contiguous to our existing projects. We view these contiguous acquisitions as adding valuable PGM resources to our existing stable of assets. Nkwe looks forward to the opportunity of entering into negotiations with Anglo again in the future.

### **Investor Insight**

**You talk about adding substantial value to shareholders but your share price is still around 80c compared to a high of around \$1.20. When will the value flow to shareholders?**

## **Craig Oliver**

We are not in the business of predicting shareprice increases, however, the company's view is the market will re-rate Nkwe's shareprice on the back of continued resource upgrades, the advancement of the feasibility study and the commencement of production on at least one of our projects.

In terms of improved value for shareholders, we are encouraged by the fact that our long term shareholders remain supportive. In fact, a number of our institutional investors have recently increased their holding.

One Australian broker conducted a recent review of South African Bushveld platinum transactions and established an average value of PGE ounce of resources of more than US\$13. This implies an asset backing value for Nkwe based on its now 15 Moz of PGM in resource to more than US\$150M compared to the existing US\$50M value demonstrating the considerable potential upside for shareholders. What we now must do is continue to deliver on our timetable to realise that value.

The broker noted that Nkwe's commitment to progressing one or both of the De Wildt and Rooderand projects to feasibility, augers well for Nkwe's market rating over the next year in transition from explorer to producer.

## **Investor Insight**

### **Can you provide a current breakdown of Nkwe's resources inventory?**

Over the past 12 months, we have increased the total resources from 2 Moz to more than 15 Moz with total outcrop of now over 20km. A resource breakdown includes:

- NPA 1 De Wildt now has an inferred resource of 61.2 Mt @ 3.6 g/t for 7.2 Moz with a 6km outcrop and we will commence the BFS in March 2005;
- NPA 2 Rooderand/Ruighoek now has a resource of 22.7 Mt @ 4.1 g/t for 3.3 Moz, half of which are indicated, and an outcrop of 4 km. This project is scheduled for further commercial transactions in the area and a BFS in 2006;
- NPA 3 Ghost Mountain has had a successful mapping and soil sample program completed that has identified areas of outcrop and a number of drilling targets that will be drilled in 2005; and
- NPA 4 Tinderbox, in joint venture with Placer who are spending \$US5M to earn 51%, also had a successful mapping and soil sample program completed. Several areas of identified outcrop and drilling targets will be drilled in 2005. Additionally, we have added the Kliprivier acquisition to the NPA 4 area with an inferred resource of 61.1 Mt @ 2.4 g/t for 4.7 Moz that will also be drilled in 2005.

## **Investor Insight**

### **Prospecting permits on Ghost Mountain and Tinderbox are due for renewal in April, 2005. Are there any risks attached to the renewals?**

Our legal advice is Nkwe will have the prospecting permits granted without any issues.

## **Investor Insight**

### **What are Nkwe's longer term goals?**

## **Craig Oliver**

Our medium term focus remains to position Nkwe as the mid-cap player in the Bushveld platinum industry with a capitalization of \$A200-300 million (\$US150-200 million).

The critical components of graduating to this stage is progressing the BFS at De Wildt and consolidating and continuing to successfully exploring our significant portfolio of quality ground.

Over the longer term we would expect to be in production at De Wildt and Rooderand/ Ruighoek over the next 2-5 years.

## **Investor Insight**

### **Why invest in Nkwe and South African platinum?**

#### **Craig Oliver**

We believe Nkwe is a good investment because the focus on creating shareholder value remains the same. The key investment drivers are:

- short term, the existing 15 Moz resource underpins a substantial re-rating;
- the platinum industry in South Africa has demonstrated its ability to make significant returns to shareholders. South Africa is home to Anglo Platinum, Impala and Lonmin who control 70% of the world's platinum production. They are successful and disciplined players. There has been junior company success in South Africa and we are seeking to emulate that;
- Nkwe is a purpose built BEE compliant company well positioned to secure new order rights and contiguous value add projects;
- platinum and palladium are the best known metals mined in the Bushveld area but there are another nine elements, including gold and base metals. Forty per cent of platinum is used for jewellery and 60% for industrial purposes but the development of fuel cells will be a huge boost for platinum demand. The predicted global shortfall in platinum in the next 5-10 years is about 20%; and
- new, world-class mining legislation recently enacted in South Africa gives us great certainty and is similar to legislation operating in Australia and many other Western countries. Stranded, undeveloped resources and exploration prospects adjoin each of Nkwe's project areas. The 'use it or lose it' provisions of the Minerals Development Act provide a strong incentive to consolidate holdings into viable packages. Nkwe is well placed to assist and benefit from this process.

In summary, Nkwe is well positioned to capitalise on a good industry, good commodities, available world class resources and infrastructure, best practice mining legislation and a focused team.

**For further information on Nkwe Platinum Limited visit [www.nkweplatinum.com](http://www.nkweplatinum.com)**

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