

# Junior pushes integrated strategy

TOPPING UP ITS coffers with a \$7.5 million capital raising, Nkwe Platinum Ltd continues to advance its Tubatse and Garatau projects in South Africa, where it is targeting annual production of 1 million ounces of platinum group metals.

The company and its joint venture partner Xstrata Plc are expediting the bankable feasibility study into their development.

Nkwe struck a deal in August last year with its black empowerment partner and major shareholder Genorah Resources Pty Ltd and Xstrata, in which the Swiss giant was granted an exclusive option to acquire a 50% joint venture interest in five PGM properties that comprise Tubatse and Garatau (with the balance equally owned by Genorah and Nkwe).

The company's 74% holding in Tubatse – along with a 74% stake in Garatau – consolidates Nkwe's interest in this part of the world where its JV partners are looking to establish an integrated mine to market business with a mine life in excess of 50 years.

With JORC resources from both areas already approaching 69 million ounces of 3 PGM plus gold, the properties are located in an established mining district with well developed infrastructure.

The partners are looking to define resources of more than 100 million oz.

With its focus firmly on Tubatse and Garatau, Nkwe has divested its non-core assets such as Ghost Mountain, Kliprivier and Tinderbox and has entered into agreements that will dispose two of its subsidiaries – Masedi Platinum Pty Ltd and Nkwe Platinum (Scarlet) Pty Ltd.

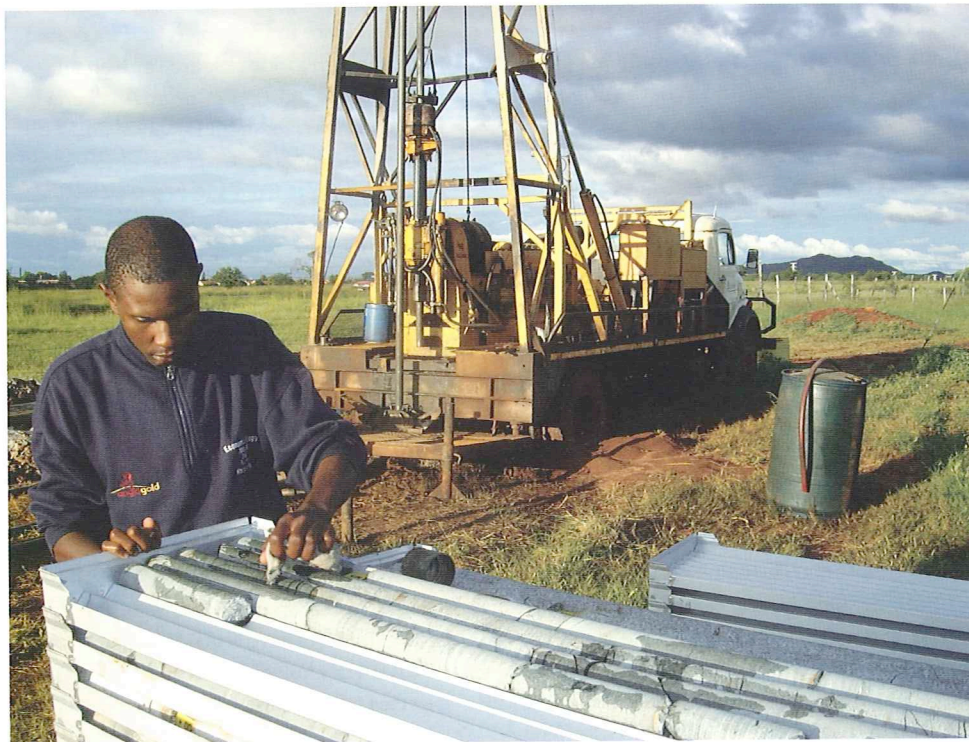
## Structured arrangement

The deal comprises two transactions – both of which are inter-conditional and subject to government and regulatory approvals.

Mineral resources company Realm Resources Ltd will acquire both subsidiaries and contiguous to this, Morningstar Holdings Ltd will acquire 100% of the issue capital of Realm.

In return, Nkwe will receive \$3.5 million worth of equity in Morningstar.

Kliprivier is located on the eastern limb of the Bushveld Complex and is immediately south and along strike of Aquarius Platinum Ltd's Everest South platinum project and up dip of the former



Drilling continues to grow Nkwe's PGM resources in South Africa.

Anglo Platinum Booyseendaal project.

It has an inferred 109.6 Mt at 2.3 g/t (3 PGE plus gold) for 7.6 million oz.

The Ghost Mountain prospect is also located on the eastern limb of the Bushveld complex and is an advanced exploration target, while Tinderbox sits 10 km south west of Kliprivier and is more an early stage property.

"The disposal of the Ghost Mountain, Kliprivier and Tinderbox projects is in line with our strategic refocus on development of the flagship Garatau and Tubatse projects," Nkwe managing director Maredi Mphahlele said.

This has already seen Nkwe acquired International Goldfields Ltd's 15% interest in Tubatse, where it had an exclusive option with IGC for \$60 million.

Under the terms of the deal, Nkwe is to pay an initial \$20 million, with \$40 million due by the first quarter of next year.

Resources were recently more than doubled to an inferred 45.3 million oz (3 PGE plus gold) from 20.4 million oz.

The resource covers both the Merensky and UG2 horizons across three farms – Eerste Geluk, Nooitverwacht and Hoepakrantz.

At Garatau, resources are also expected to grow when current drilling is finalised.

A total of 56 diamond drill holes totalling 63,000 metres of core has

been completed to date and the current resource of 143 million tonnes grading 5.1 grams/t 3 PGE plus gold for a contained 23.6 million oz is based on assays from 24 boreholes on the Merensky Reef and 22 boreholes for the UG2 Reef.

Drilling has also confirmed the positive geophysical assessment completed to date.

The Merensky resource starts from a depth of 350m below surface, with the UG2 horizon located 350m under the Merensky horizon.

Drilling for metallurgical samples was also finalised, with testwork being undertaken by Mintek in Johannesburg to determine characteristics for crushing, milling and flotation.

## Other moves

In terms of its Pilanesberg project which comprises two properties – Rooderand and Ruighoek – the company has applied for a prospecting right.

Rooderand is located on the north western rim of the Pilanesberg National Park and exploration success during 2006 increased the resource to 36.7 Mt at 3.8 g/t (3 PGM plus gold) for 4.5 million oz.

Nkwe has an undivided 54% share on various portions of Ruighoek (under the old Mining Act) which lies directly to the west of the national park, covering an area of 2,500 hectares.