



Quarterly Report and Appendix 5B for the Period ended 31 December 2007

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

<i>Issued Capital</i> \$0.965*	185 M⁺	<i>ASX Code</i> NKP	<i>Closing price</i>
<i>Market Cap</i>	\$178m		
* as at 31 December 2007			
+ includes 63m shares subject to voluntary escrow			

<p>Highlights</p> <ul style="list-style-type: none"> Nkwe enters into a Memorandum Of Understanding ("MOU") to acquire a 100% interest in the platinum group metal ("PGM") prospecting rights held on the two farms contiguous to existing Genorah farms. Drilling on to date has confirmed high grade PGM intersections over both the northern and southern farms, with a total of 36 holes and over 23,500m of drilling having been completed. Average values on the farm Garatouw include: Merensky at 7.14g/t 3PGE+Au over a 73cm cut; and UG2 at 6.58g/t 3PGE+Au over 82cm from 5,000m of drilling. Averages on the southern farms (Eerste Geluk and Nooitverwacht) include: Merensky at 2.90g/t 3PGE+Au over the full 218cm width; and UG2 at 7.45g/t 3PGE+Au over 77cm from 18,500m of drilling. DME confirms valid prospecting rights to Genorah. Anglo Platinum suspended legal action against the DME, and entered into discussions with the DME to settle the dispute. Appointment of Project Manager, André van der Merwe. 	<p>AUSTRALIAN OFFICE 34 Parliament Place West Perth WA 6005 Australia</p> <p>PO Box 684 West Perth WA 6872 Australia</p> <p>Tel: +61 8 9488 5244 Fax: +61 8 9321 6699</p> <p>NKWE PLATINUM LIMITED ARBN 105 979 646</p> <p>REGISTERED OFFICE Clarendon House 2 Church Street Hamilton HM11</p> <p>PO Box HM666 Hamilton HMCX</p> <p>BERMUDA</p> <p>NKWE PLATINUM LIMITED Bermuda Regn Number 32747</p> <p>Web: www.nkweplatinum.com</p>
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Corporate

During the Quarter, the Company announced that it has entered into a Memorandum Of Understanding (“MOU”) with 2 privately owned South African companies to acquire a 100% interest in the prospecting rights to two platinum group metal (“PGM”) farms.

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

- Given the position of the two properties and the latest information from Nkwe’s drilling program on the farms Eerste Geluk 327 KT and Nooitverwacht 324 KT these farms are expected to be underlain by both the platinum-bearing Merensky Reef and UG2 chromite horizons, which account for 80% of the world’s platinum production.
- With the acquisition of these two farms, Nkwe’s Garatouw-Eerstegeluk mineralised project area will increase by 25% to more than 13,000ha. Ownership of these two farms forms part of Nkwe’s consolidation of its PGM interests on the Eastern Limb.
- Key terms of the MOU includes the payment of an exclusivity fee of AUD\$120,000, due diligence and regulatory approvals and acquisition terms, to be negotiated following completion of the independent technical report.

Legal Dispute

As announced in November, Rustenburg Platinum Mines Limited (an Anglo Platinum company) suspended the legal action against the DME to set aside the prospecting rights issued by the DME in September 2006 in respect of nine farms, including the five Genorah farms, entering into discussions with the DME with a view to ending the dispute. Genorah has been invited to these discussions, with several meetings having been held in order to find an acceptable resolution.

Operations

The Company has a diversified PGM portfolio located in the Eastern and Western Bushveld of South Africa as illustrated below.

Project Manager

The Company made the key appointment of Mr André van der Merwe as Project Manager to manage and co-ordinate completion of the feasibility study on Nkwe’s flagship PGM project on the Eastern Limb. André has a long history of involvement in the mining industry, starting with JCI in the 1980s, and includes his involvement as Regional Manager with consultancy group RSG Global and more recently SRK Consulting as Principal Geologist and Partner.

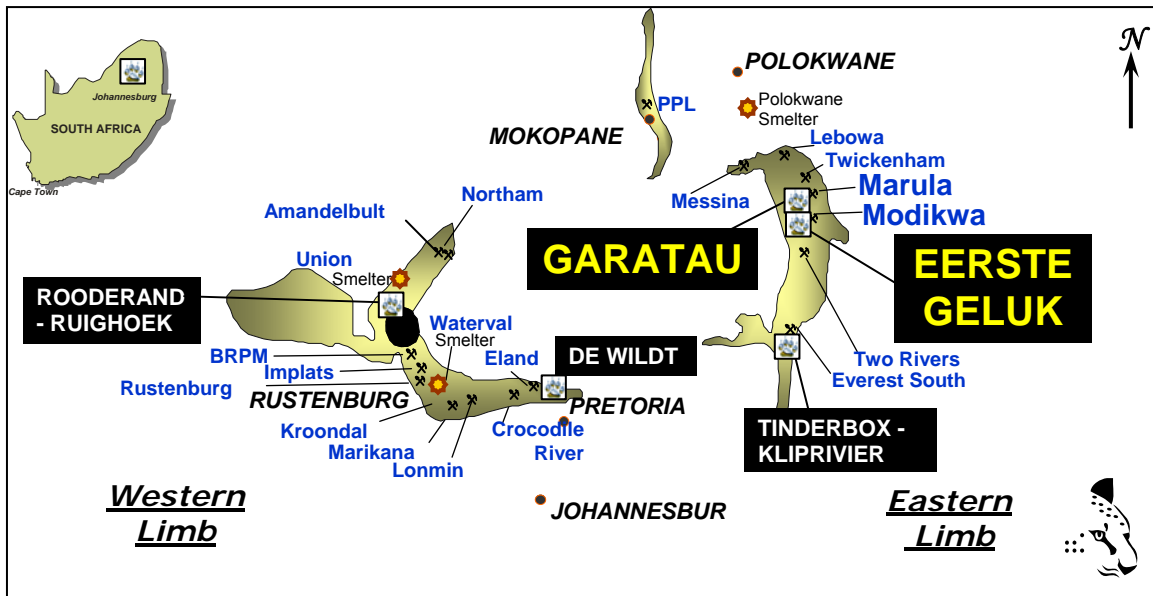


Figure 1: Nkwe Platinum project locations

Garatau / Eerste Geluk Project

Nkwe Platinum is currently consolidating this project area, having signed an MOU to acquire an additional 2,500ha of contiguous prospecting rights. These farms, Soupiana 325 KT and Hoogstepunt 290 KT, increase the total project area to over 13,000ha, adding substantial mineralisation potential to Nkwe's attributable ounces on the overall project. These farms will be consolidated into the project, with the greater project creating potentially one of the largest independent PGM project in the world that is not controlled by the current majors, testimony to the successful transformation of the platinum industry by the South African government.

Drilling is progressing on the greater project area, with a total of 36 holes having been completed, totaling 23,500m of core. This data has confirmed the previous expectation of the aerial extent of the mineralisation, with 30 holes on the southern farms (Eerste Geluk and Nooitverwaacht) confirming the shallow nature of the reefs underlying the farms. These results show that the Merensky Reef is present on Eerste Geluk from surface to a maximum depth of 450m. The deepest intersection of the UG2 on Eerste Geluk is only 518m (see Table 1 and Fig.2), continuing onto Nooitverwaacht where the UG2 chromitite seam is intersected at depths shallower than 1,000m.

Six holes have been completed on Garatouw, totaling in excess of 5,000m of core at present. The Merensky Reef and the UG2 chromitite seam outcrops 1,500m to the east of De Kom and Garatouw, in the northern part of the project, and continue over a strike distance of more than 30km to the south where it outcrops on Eerste Geluk (see Fig.2). Both reefs dip gently to the west and underlie all the properties constituting the project, as confirmed by the drilling results.

As previously reported, the shallow depths at which the reefs underlie Eerste Geluk and the eastern portion of Nooitverwaacht, will have a positive impact on future mine development and the capital expenditure program. To this end, an old Merensky decline on the farm Eerste Geluk has been rehabilitated, with sampling of the reef being undertaken as part of the exploration activities on this farm.

The assay results (see Table 2a) of samples collected from the Merensky are generally in accordance with the width and grade as reported by adjacent mining operations at the Modikwa Platinum Mine.

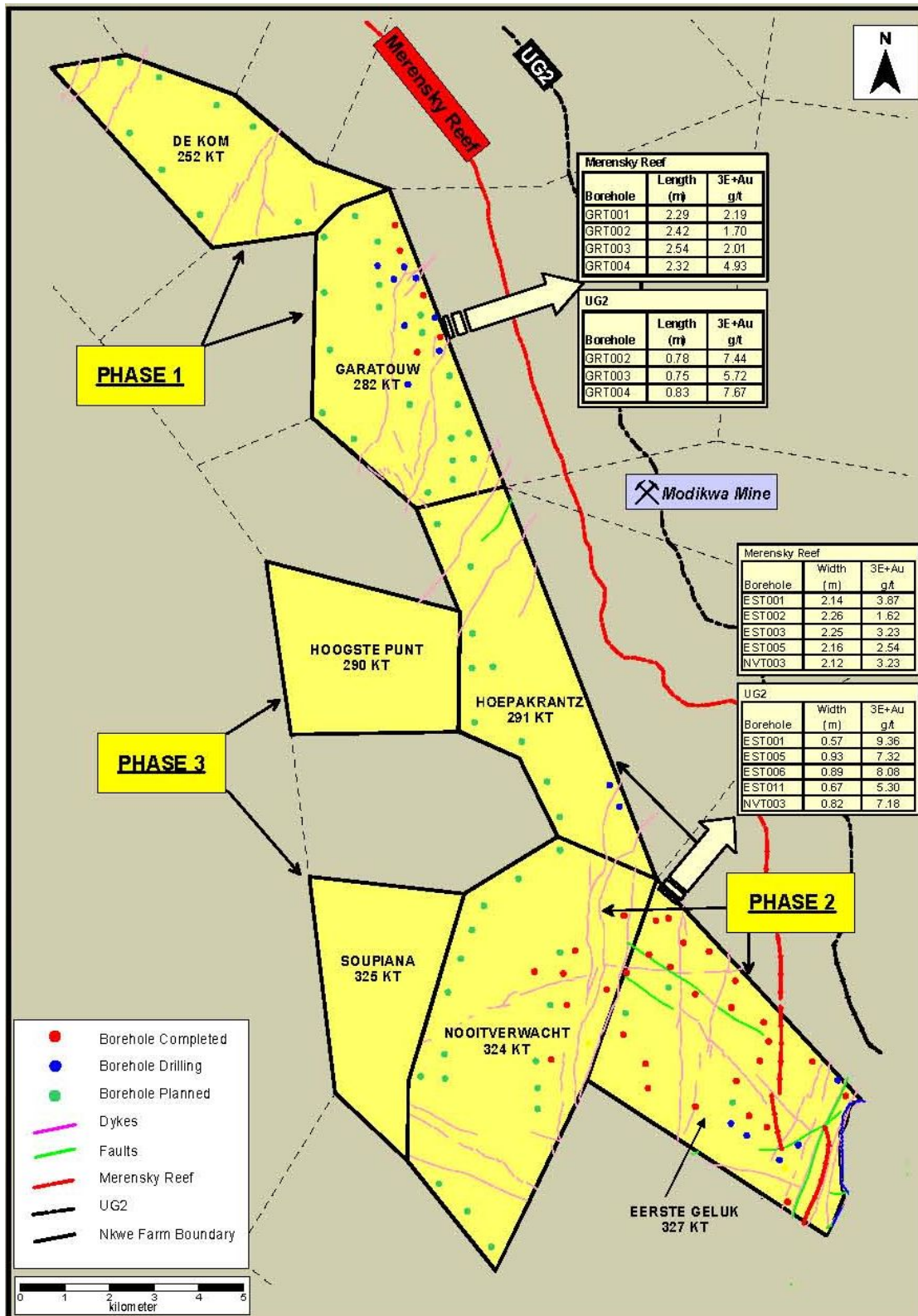


Figure 2: Boreholes drilled on the Garatau / Eerste Geluk project area

Assay results for the UG2 (see Table 2b) are also comparable to those at Modikwa Platinum Mine and the quality of the grades reported is particularly encouraging.

Nkwe is currently undertaking the work to establish and build a JORC/SAMREC compliant resource for the Genorah farms over the next 9 months through the completion of the current drilling program. Currently eight diamond drill rigs are active on the project.

De Wildt Project

The De Wildt Project consists of new order prospecting rights over all strategic areas and is an advanced stage exploration project.

The Project has an inferred resource of 4.4Moz (5PGE+Au) at a grade of 3.4 g/t over 6km of strike length, at a favourable platinum to palladium prill split in excess of 3.5:1. The Company is in discussion with possible strategic partners for mine development or disposal.

Pilanesberg Project

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

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

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

Kliprivier Prospect

The Kliprivier Prospect consists of new order prospecting rights over all strategic areas and is an advanced stage exploration project. The prospect is located on the eastern limb of the Bushveld Complex and lies immediately south and along strike of Aquarius Platinum's Everest South platinum project and up dip of Anglo Platinum's Booyseendal project. An inferred UG2 resource has been defined of 109.6 Mt @ 2.3 g/t (3PGE+Au) for 7.6Moz (undiscounted) from surface over a 6km strike length on its 3,300ha permitted share of Kliprivier, with a lower chromite band having the potential to host an additional 4.5Moz of PGE mineralisation. As per Nkwe's objective to consolidate its project areas, Nkwe will look to advance its interest in Kliprivier by way of farm out/joint venture or disposal.

Ghost Mountain Prospect

The prospect is located on the eastern limb of the Bushveld Complex, with past exploration having identified two mineralised targets.

Tinderbox Prospect

The prospect is located 10km south west of Kliprivier. This area was subject to a joint venture with Placer Dome which has lapsed. It is an early stage exploration project and the company intends to advance its interest in the project by way of farm out/joint venture or disposal.



Peter Landau
Director/Company Secretary
31 January 2008

The geological information in this announcement has been prepared by Mr André van der Merwe, a Geologist with 19 years experience in the South African minerals industry. Mr van der Merwe has sufficient experience which is relevant to the style of the mineralisation and type of deposit under consideration and is registered as Pr. Sci. Nat. under the South African Council for Natural Scientific Professions. He is also a member of the AusIMM. He qualifies as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting for Exploration Results, Minerals Resources and Ore Reserves (the JORC Code). This report accurately reflects the information compiled by Mr van der Merwe. Mr van der Merwe has consented to the inclusion of this information in the form and context in which it appears in this report.

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

Table 1. Reef Intersections on the Eastern Limb properties reported

BH ID	Collar Coordinates*			Merensky Reef			UG2 Reef		
	Y	X	Z	From (m)	To (m)	Thickness (m)	From (m)	To (m)	Thickness (m)
EST001	89251.640	2734815.291	876.908	322.97	326.87	3.90	517.56	518.10	0.54
EST002	87906.257	2734749.619	848.913	262.02	262.52	0.50		faulted out	
EST003	89831.354	2736606.588	841.780	429.75	430.11	0.36	464.58	464.95	0.37
EST004	89272.246	2737812.194	828.118		reefs modified				
EST005	87401.308	2736001.731	825.435	189.50	191.57	2.07	492.56	493.25	0.69
EST006	86569.858	2736765.402	804.236	39.15	41.05	1.90	333.49	334.53	1.04
EST007	87296.513	2737646.591	801.137	206.37	208.27	1.90		faulted out	
EST008	88214.942	2738226.180	797.186		reefs modified				
EST009	89330.488	2737263.648	826.467		reefs modified				
EST010	88816.363	2734000.761	893.722	304.31	304.88	0.57	498.21	499.04	0.83
EST011	86145.267	2740361.572	775.454		east of outcrop		124.01	124.60	0.59
EST012	85593.603	2737214.686	782.090		east of outcrop		211.28	211.79	0.51
EST013	87010.421	2738429.359	777.075						
EST014	84848.225	2737987.283	749.543		east of outcrop			faulted out	
EST016	88219.334	2735701.105	847.283	348.55	350.05	1.50	608.22	609.00	0.78
EST017	88776.113	2735094.289	861.904	250.06	250.25	0.19	495.63	496.00	0.37
EST018	87317.362	2735404.042	829.147	155.07	157.14	2.07	465.61	466.06	0.45
EST019	88479.891	2734549.729	866.903	260.72	262.81	2.09	501.33	501.80	0.47
EST020	89755.048	2735219.015	867.829		dyke				
EST021	86767.881	2737201.559	798.665	64.88	66.48	1.60	358.74	359.27	0.53
EST022	89101.623	2734050.262	897.214	267.86	269.65	1.79	515.90	516.75	0.85
EST023	86683.508	2736329.881	810.996	53.37	55.75	2.38			
EST025	86610.004	2738688.482	774.202		east of outcrop		247.67	248.32	0.65
NVT001	90202.377	2735598.054	857.749	452.34	457.56	5.22	464.58	464.95	0.37
NVT002	91173.259	2735239.633	904.445	569.35	570.50	1.19	758.50	759.00	0.50
NVT003	91446.035	2737168.881	908.758	647.59	649.64	2.05	904.82	905.50	0.68
NVT004	89814.482	2733942.772	927.037	456.74	458.55	1.81	693.73	694.40	0.67

NVT005	91096.495	2735944.525	913.009	481.28	483.2	1.92	713.10	713.70	0.60
NVT006	90909.768	2734721.404	906.058	561.10	563.10	2.00	833.91	834.47	0.56
NVT008	91819.691	2735199.164	948.970	639.88	642.05	2.17	919.23	919.75	0.52
GRT001	-94943	-2718444	#	501.26	501.72	0.46		hole abandoned	
GRT002	-93933	-2720957	#	380.80	382.88	2.08	754.89	755.45	0.56
GRT003	-94838	-2719018	#	471.73	473.85	2.12	831.45	831.97	0.52
GRT004	-94446	-2721297	#	482.43	484.59	2.16	846.30	846.95	0.65
GRT015	-94307	-2720021	#	412.45	414.99	2.54	766.12	766.76	0.64

Note:

- * *Coordinate system: South Africa Zone 31; Project Datum: Hartebeeshoek 94.*
- # *GPS Coordinates – not yet surveyed.*
- *Mineralised widths reported are as intersected in the drill holes and not true widths. The dips of the mineralised horizons are expected to be approximately 10 degrees.*

Table 2a. Merensky Reef Assay Results on Eerste Geluk/Nooitverwacht

Nooitverwacht					
Borehole	Defl	FROM (m)	TO (m)	Length (m)	3E+Au g/t
NVT001	D4	458.01	459.18	1.17	0.38
NVT003	D0	647.56	649.66	2.10	4.68
	D1	647.35	649.45	2.10	2.17
	D3	647.35	649.50	2.15	2.85
Eerste Geluk					
Borehole	Defl	From (m)	To (m)	Width (m)	3E+Au g/t
EST001	D4	320.13	321.61	1.48	1.09
	D5	324.19	326.30	2.11	2.89
	D7	326.04	328.75	2.82	7.63
EST002	D0	262.02	264.28	2.26	1.62
EST003	D0	429.18	431.43	2.25	3.23
EST005	D0	189.48	191.70	2.22	2.99
	D4	189.50	191.62	2.12	2.69
	D5	189.41	191.55	2.14	1.92

Table 2b. UG2 Layer Assay Results on Eerste Geluk/Nooitverwacht

Nooitverwacht					
Borehole	Defl	FROM (m)	TO (m)	Length (m)	3E+Au g/t
NVT003	D0	904.80	908.48	0.68	7.66
	D1	904.91	905.71	0.80	7.30
	D3	904.80	905.77	0.97	6.57
Eerste Geluk					
Borehole	Defl	From (m)	To (m)	Width (m)	3E+Au g/t
EST001	D0	517.56	518.10	0.54	8.33
	D1	517.58	518.10	0.52	7.96
	D2	517.65	518.30	0.65	11.81
EST005	D0	492.42	493.42	1.00	5.15
	D1	492.47	493.31	0.84	8.94
	D3	492.70	493.65	0.95	7.86
EST006	D0	333.41	334.55	1.14	7.81
	D1	333.85	334.52	0.67	8.70
	D2	334.35	335.22	0.87	7.72
EST011	D0	123.97	124.61	0.64	7.28
	D5	121.16	121.90	0.74	4.21
	D6	120.88	121.49	0.61	4.40

Note:

- Nickel Sulphide Collection Fire Assay for Pt, Pd, Au, Rh, Ru, Ir. SGS Lakefield Research Africa is Accredited by SANAS for ISO 17025 for above analysis.
- Mineralised widths reported are as intersected in the drill holes and not true widths. The dips of the mineralised horizons are expected to be approximately 10 degrees.

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

NKWE PLATINUM LIMITED

ACN or ARBN

105 979 646

Quarter ended ("current quarter")

31 December 2007

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(1,700)	(2,800)
(b) development	-	-
(c) production	-	-
(d) administration	(892)	(1,498)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	215	428
1.5 Interest and other costs of finance paid	(15)	(32)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(2,392)	(3,902)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	(139)	(139)
(b)equity investments	-	-
(c) other fixed assets	(17)	(9)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	(442)	-
Net investing cash flows	(598)	(148)
1.13 Total operating and investing cash flows (carried forward)	(2,990)	(4,050)

Note: Item 1.12 relates to a refundable option fee received by the Company and refunded in the current quarter.

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.13 Total operating and investing cash flows (brought forward)	(2,990)	(4,050)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	1,500	2,250
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Issue expenses	(5)	(481)
Net financing cash flows	1,495	1,769
Net increase (decrease) in cash held	(1,495)	(2,281)
1.20 Cash at beginning of quarter/year to date	14,708	15,597
1.21 Exchange rate adjustments to item 1.20	69	(34)
1.22 Cash at end of quarter	13,282	13,282

Payments to directors of the entity and associates of the directors

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

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	359
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director Fees	\$149k
Financial/Company Secretarial/Office Support Services	\$210k

Non-cash financing and investing activities

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

Nil

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

Nil

Financing facilities available

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development	-
Total	1,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,840	3,283
5.2 Deposits at call	10,442	11,425
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	13,282	14,708

Changes in interests in mining tenements

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

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1	Preference +securities (description)	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	+Ordinary securities	184,550,980	121,550,980	N/A	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	3,055,555	3,055,555	0.5	0.5
7.5	+Convertible debt securities (description)	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	Options (description and conversion factor)	2,110,000 1,500,000 1,650,000 17,812,387	- - - -	Exercise price \$1.10 \$1.25 \$1.00 \$0.90	Expiry date 30/06/2009 30/06/2009 30/06/2009 30/06/2010
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	3,000,000 55,555	- -	\$0.50 \$0.90	30/06/2007 30/06/2010
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	-	-	-	-
7.12	Unsecured notes (totals only)	-	-	-	-

Compliance statement

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



Sign here:
Company Secretary

Date: 31st of January 2008

Print name: Peter Landau

Notes

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

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