



Quarterly Report and Appendix 5B for the Period ended 30 September 2008

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

<i>Issued Capital</i>	188 M*	<i>ASX Code</i>	NKP	<i>Closing price</i>	\$0.40*
<i>Market Cap</i>	\$75m *				
<i>* as at 30 September 2008</i>					

Highlights

- Xstrata entered into US\$10 million option agreement with Nkwe Platinum and Genorah Resources
- Agreement provides Xstrata exclusive rights to acquire 50% stake in flagship operation (comprising both the Garatau and Tubatse projects) by way of funding the total development (two mines (both Merensky and UG2 Reefs on each mine) and a concentrator) of the Project
- BFS to target run of mine production of one million PGM ounces per annum
- Nkwe secures exclusive option to acquire 15% interest held by International Goldfields Limited ("IGC") in the three Tubatse Farms forming part of the Flagship operation
- The Tubatse-Garatau Project now has a 38.4Moz JORC Resource following the previously announced 20.4Moz JORC Resources on the Tubatse Project, an increase of 88%. The current resource alone is considered suitable for an initial planned life of mine of 45 years.

Comment on significant downturn in share price and PGM prices

With the current financial crisis, the Board is concerned by the constant selling of the Company's shares by both institutional and retail shareholders. Trying to obtain new investors in the current climate is particularly difficult with the PGM basket prices at 5 year lows. From a Board perspective we are in discussions with a range of potential new investors with assistance from corporate advisors in Australia (Argonaut) and the



US (Miller Mathis / Rodman and Renshaw), and will be presenting at the Global Investment Conference hosted by Miller Mathis / Rodman and Renshaw in New York in early November - <http://www.rodman.com/conferences?id=20>. Leading PGM analysts are still forecasting medium and long term PGM basket prices well above US\$1000 which underpins the Nkwe / Xstrata joint venture (see below) with a very robust and profitable project opportunity.

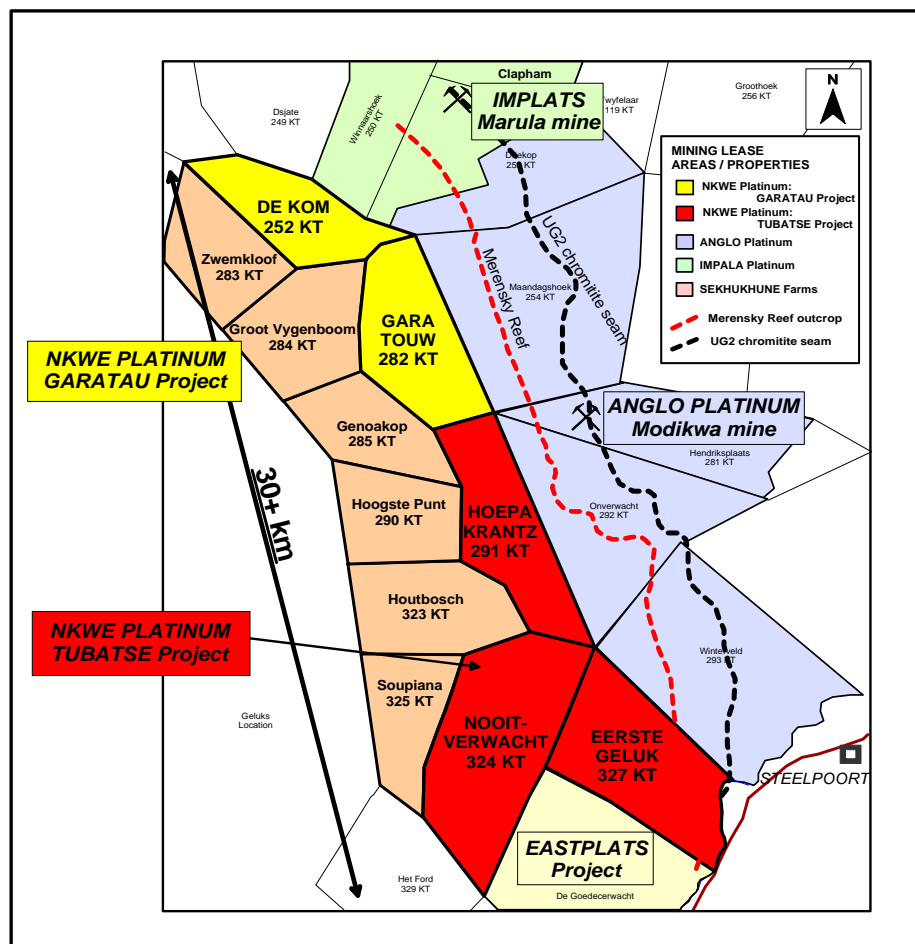
Subsequent to quarter end, Nkwe received its share of the US\$12m proceeds from the sale of De Wildt (approx A\$13m) to Xstrata. These proceeds, along with its share of the \$US10m option fee from Xstrata will provide enough cash resources to take Nkwe through to completion of the BFS in 12 months time. This, combined with the intended exercise of the Xstrata option to finance the development of the Garatau – Tubatse Project, makes the Board very confident of the Company's future and a change in fortunes of the Company's share price over the coming months.

Corporate

During the quarter, Nkwe Platinum Limited ("**Nkwe**"), and its black empowerment partner and major shareholder Genorah Resources (Pty) Ltd ("**Genorah**"), signed a binding heads of agreement with Xstrata South Africa ("**Xstrata**"). The agreement grants Xstrata an exclusive option to acquire a 50% interest in five PGM properties (collectively the farms Hoepekrantz, Nooitverwacht, Eerste Geluk, Garatouw and De Kom) situated on the Eastern Limb of the Bushveld Igneous Complex ("**the properties**"). A valid New Order Prospecting Right has been granted over the Properties by the Department of Minerals and Energy.

Nkwe Flagship Project

Figure 1: Locality of Eastern Limb properties



The Option is exercisable following the completion of the Bankable Feasibility Study, expected to be completed by the end of 2009, and is subject to the grant of the necessary regulatory approvals. On exercise of the Option, Xstrata will acquire a 50% participation interest in the Properties from Nkwe and Genorah. The parties will form a joint venture, in which Xstrata's interest will be 50%, while Nkwe and Genorah (as Nkwe's majority shareholder) will collectively have an interest in the remaining 50%. The joint venture will develop the Properties, and will undertake a further feasibility study into downstream processing, to develop an integrated mine to market business. Following the exercise of the Option, Xstrata will fund the total development costs of the Properties from mining through to concentrating. The joint venture will extend to any contiguous properties currently (or in the future) under the control of any of the Parties, (over and above the Properties referred to above).

Option to Acquire International Goldfields' 15% Interest

Nkwe entered into an exclusive Option Agreement with IGC in relation to IGC's 15% interest in the three Tubatse farms which form part of the properties subject to the Nkwe / Genorah / Xstrata joint venture referred to above (refer map above).

The JORC-compliant resource on portions of Nooitverwacht 324KT and Eerste Geluk 327KT was recently upgraded from 12.4Moz to 20.4Moz (3PGE + Au).

Upon exercise of the option by Nkwe, Nkwe and IGC agree to facilitate the acquisition of the 15% interest in the Tubatse Project by way of a scheme of arrangement (i.e. cash and/or share offer to acquire all of the issued share capital of IGC).

The purchase price payable will be agreed using two (2) independent expert's valuations as an initial basis. If a scheme of arrangement is not implemented, Nkwe and IGC agree to pursue the sale of the 15% interest in the Tubatse Project by way of an asset sale. Settlement will be conditional on the receipt of all necessary governmental, regulatory, shareholder and third party approvals and consents.

Nkwe already holds an option with Genorah to acquire a 59% interest in the Tubatse Project. The option agreement with IGC provides Nkwe with the option to increase its participating interest in the Tubatse Project to 74%, subject to the receipt of necessary shareholder and regulatory approvals. Genorah holds the remaining 26% interest in the Tubatse Project.

Under the Option Agreement, which is valid for 6 months (with Nkwe being able to extend the option for a further 6 months), Nkwe will pay IGC an Option Fee of A\$100,000 and issue 2.5 million fully paid ordinary Nkwe Platinum shares.

Operations

Garatau Project

During the quarter an initial Mineral Resource of 18Moz (3PGE+Au) was confirmed on the Garatau Project. A total of 23 diamond drill holes totalling 24,000m of core had been completed with the initial Mineral Resource (18Moz at 3.62g/t (3PGE+Au) from 154.7 million tonnes) based on assays from only 9 boreholes on the Merensky Reef and 10 boreholes for the UG2 Reef. Further updates to the resource statement will be released as the remaining assays become available for resource modelling. An aggressive drill programme is planned to further delineate the resource on the Garatau Project, with 8



drill rigs currently available and 30 additional drill holes required to be completed to fully delineate the resource.

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

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

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

The Merensky resource commences from a depth of 350m below surface, with the UG2 horizon located an additional 350m below the Merensky horizon.

Nkwe has previously completed a total of 30 boreholes totalling 20,000m on the southern Tubatse Project, resulting in a 20.4Moz Inferred Resource (Merensky: 5.03g/t 3PGE+Au) from 54.5 million tonnes over 1.22m width); and (UG2: 8.17g/t (3PGE+Au) from 48.1 million tonnes over 0.68m width). The UG2 Inferred Mineral Resource commences from near surface to a depth of no more than 1,100m, and the Merensky Reef Inferred Mineral Resource is present from surface to a depth of no more than 700m below surface.

Garatau Project – Initial Resource Statement

	Discounted Resource Tonnage(Mt)	Reef widths applied (m)	Grade (g/t PGE+Au)	3PGE+Au Metal Content (Moz)
Merensky Inferred	110.4	2.49 *	2.84	10.1
UG2 Indicated	14.9	1.03 **	5.58	2.7
Inferred	29.6	1.03 **	5.58	5.3
Total/average	154.6		3.62	18.0

Table 1: Initial resource statement for the Garatau Project – released 16 September 2008

* The resource estimates an average width of 2.49m for the Merensky reef, this being the full horizon as defined “chrome to chrome”.

** The width of the UG2 is bulked up to a minimum potential stoping width of 1m, resulting in an average width of 1.03m for the UG2 reef.

This resource estimate was completed by Dr Carina Lemmer PhD (Stanford), Consultant Geological and Geostatistical Services and an independent Competent Person as defined by JORC.

Assay Results

As mentioned above, Nkwe is still awaiting additional assay results for both the Merensky and UG2 intersections on the Garatau Project. These are not expected to vary significantly from the current disclosed resource, given both the continuity of the mineralisation and the lack of significant structure found within the project area. This resource was calculated over an area of 1,630ha, with the total Garatau project area extending over 3,410ha. The remaining area still needs to be drilled.



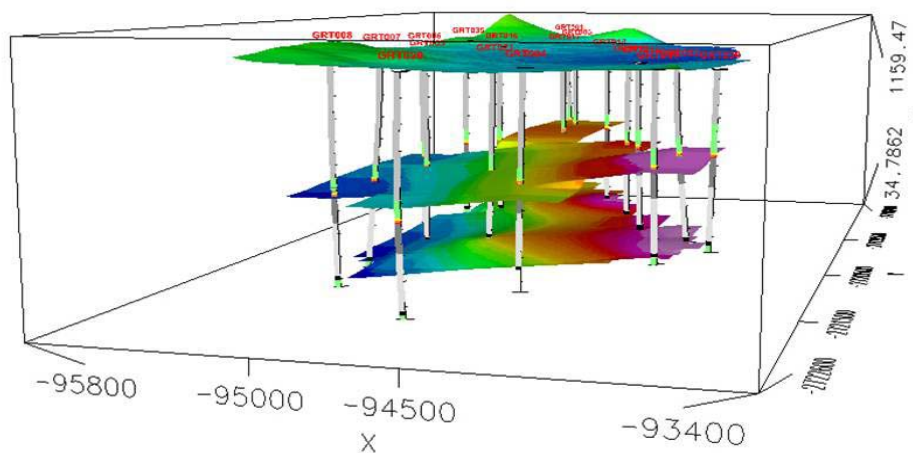


Figure 2: 3-dimensional image of completed boreholes and the interpolated contact surfaces of the Merensky (top) and UG2 (bottom) reefs within the Garatouw farm

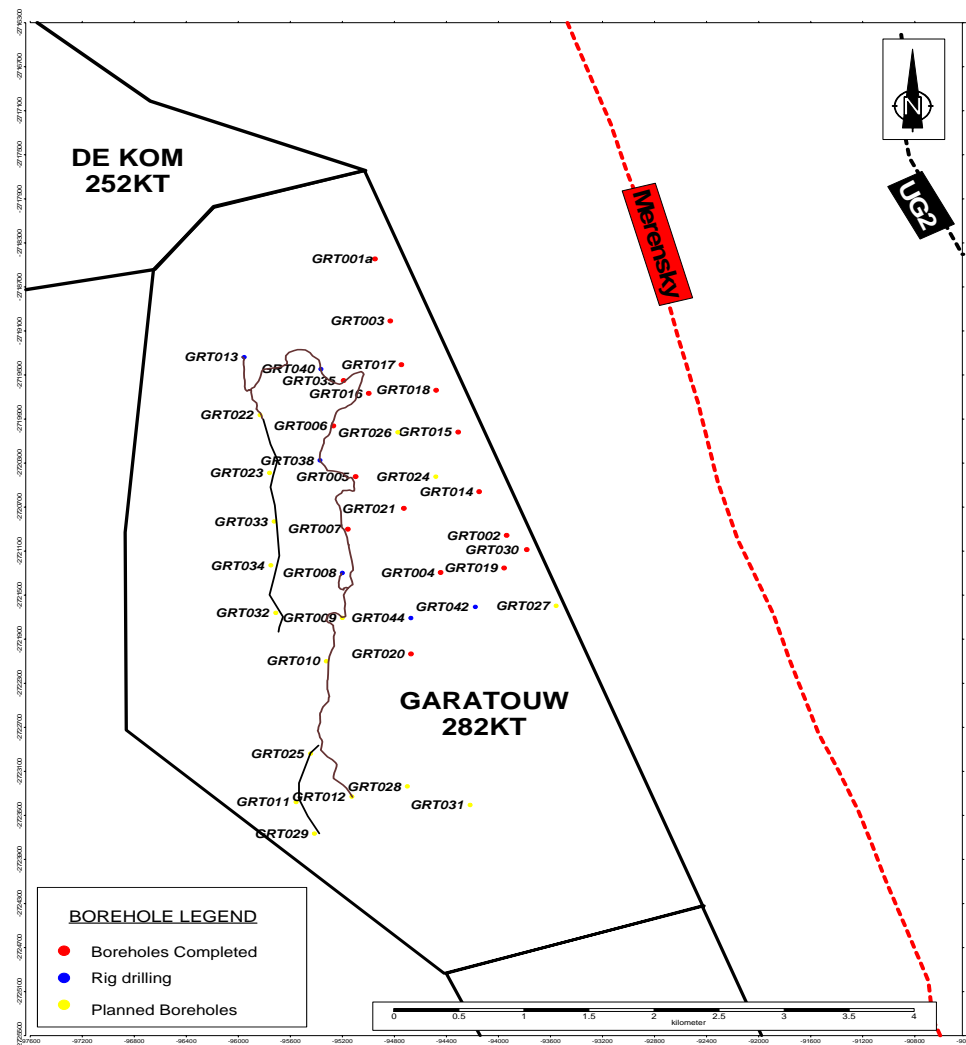


Figure 3: Borehole Positions: Completed and planned borehole positions on the farm Garatouw



Nkwe is pleased with these positive results and will continue with a fast tracked exploration program, allowing for contemporaneous work to be done on a bankable feasibility study as data and information become available.

Tubatse Project

An initial JORC Mineral Resource for portions of the farms Eerste Geluk and Nooitverwacht were confirmed as 12.4Moz (3PGE+Au) and subsequently upgraded to 20.4Moz (3PGE+Au) during the quarter. The updated resource took into account additional assay results over the same area previously released to the market and comprises:

- Inferred Mineral Resource of 54.49Mt at 5.03g/t for 7.75Moz (3PGE+Au) over a Merensky average reef width of 1.22m.
- Inferred Mineral Resource of 48.09Mt at 8.17g/t for 12.62Moz (3PGE+Au) over a UG2 average reef width of 0.67m.

A summary of the updated resource statement is shown in table 2.

	Discounted Resource Tonnage (Mt)	Channel Width (m)	Grade (3PGE+Au g/t)	3PGE+Au Ounces (Moz)
Merensky				
Inferred	54.49	1.22	5.03	7.75
UG2				
Inferred	48.09	0.68	8.17	12.62
Total / average	102.58			20.37

Table 2: Updated Resource Statement for the Tubatse Project – released 4 July 2008

The resource estimates were completed by N Denner, an independent Competent Person as defined by JORC.



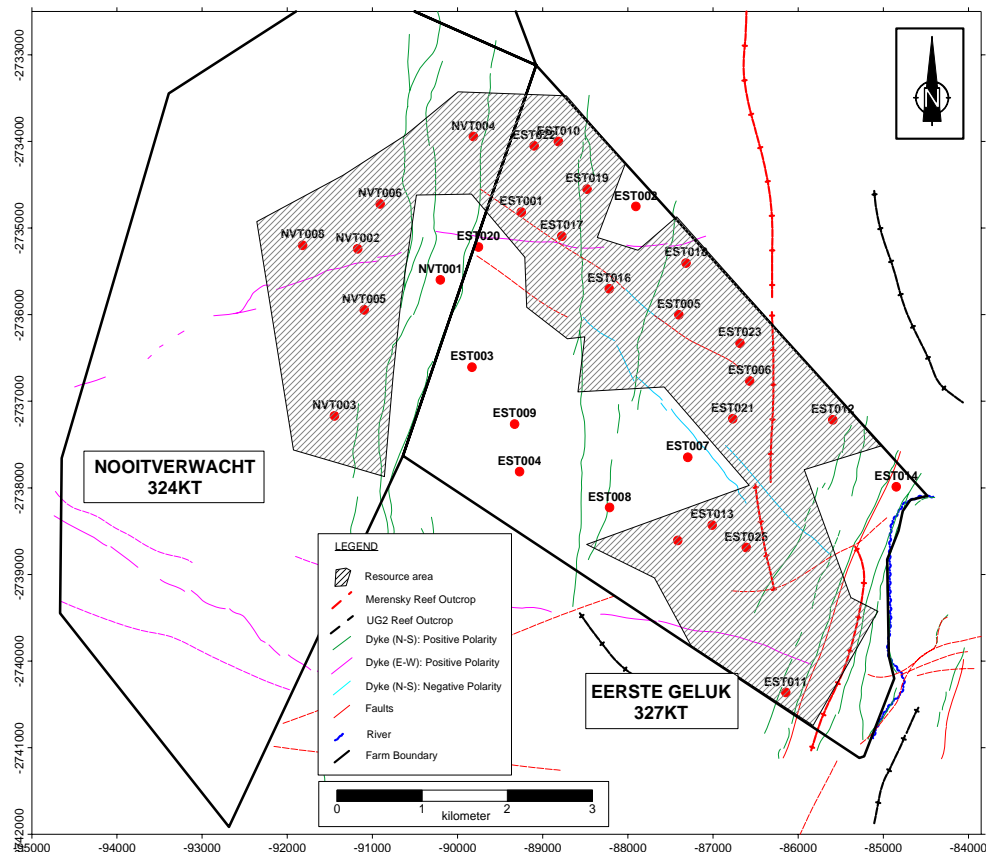


Figure 4: Plan map for Tubatse Project, with Mineral Resource area indicated

Pilanesberg Project

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

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

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

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 Booyensdal



project. An inferred UG2 resource has been defined of 109.6Mt @ 2.3 g/t (3PGE+Au) for 7.6 Moz (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.

The Tinderbox project, located a further 10km south west of Kliprivier has been revisited during the Quarter under review. Current planning includes the drilling of a further hole at this project, with the intent to further develop an understanding as to the geology of the southern area of the eastern limb. This area was previously subject to a joint venture with Placer Dome, and is an early stage exploration project.

With the focus on the Garatau / Tubatse Project, Nkwe will look at the potential farm-out / disposal of its interests in the Pilanesberg Project and Kliprivier Prospect.



Peter Landau
Executive Director / Company Secretary

The geological information in this announcement has been prepared by Mr Andre van der Merwe, Project Manager and 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.

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

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

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

For further information please contact:

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About Nkwe

Nkwe Platinum's main Garatau-Tubatse Project consists of five contiguous farms with a strike length of more than 30km, stretching all the way in proximity from Implat's Marula mine in the north, past Anglo Platinum's Modikwa Joint Venture to the border of Eastplat's Spitzkop – Kennedy's Vale project in the south. In ongoing exploration, Nkwe has delineated a JORC Mineral Resource of 38.4 million ounces 3PGM+Au across the Tubatse / Garatau Project areas.

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

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



Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

NKWE PLATINUM LIMITED

ACN or ARBN

105 979 646

Quarter ended ("current quarter")

30 September 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 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	(2,178)	(2,178)
(b) development	-	-
(c) production	-	-
(d) administration	(829)	(829)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	22	22
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net expenditure paid on behalf of Genorah	(350)	(350)
Net Operating Cash Flows	(3,335)	(3,335)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	(2)	(2)
(b)equity investments	-	-
(c) other fixed assets	(61)	(61)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	(2,683)	(2,683)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(2,746)	(2,746)
1.13 Total operating and investing cash flows (carried forward)	(6,081)	(6,081)

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.13 Total operating and investing cash flows (brought forward)	(6,081)	(6,081)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	6	6
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Issue expenses	(7)	(7)
Net financing cash flows	(1)	(1)
Net increase (decrease) in cash held	(6,082)	(6,082)
1.20 Cash at beginning of quarter/year to date	7,708	7,708
1.21 Exchange rate adjustments to item 1.20	59	59
1.22 Cash at end of quarter	1,685	1,685

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	399
1.24 Aggregate amount of loans to the parties included in item 1.10	2,683
1.25 Explanation necessary for an understanding of the transactions	
Director Fees	\$189k
Financial/Company Secretarial/Office Support Services	\$210k
\$2,683k loan (for the exploration of the Tubatse project) to Genorah Resources (Pty) Ltd., a South African registered company in which Mr Mphahlele, Mr Pandor and Mr Nkuhlu are Directors.	

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	1,500
4.2 Development	-
Total	1,500

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	552	552
5.2 Deposits at call	1,133	1,133
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,685 *	1,685 *

* Subsequent to quarter-end, Nkwe received its share of the US\$12m proceeds from the sale of De Wildt (approx A\$13m) to Xstrata. These proceeds, along with its share of the \$US10m option fee from Xstrata will provide enough cash resources to take Nkwe through to the completion of the BFS in 12 months time and the intended exercise of the Xstrata option to finance the development of the Garatau / Tubatse Project.

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	185,247,680	185,247,680	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -	NA NA	NA NA
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 32,812,387	- - - -	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	15,000,000	-	\$0.90	30/06/2010
7.9 Exercised during quarter	-	-	-	-
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 October 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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