U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

☐ Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934
or
☐ Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended August 31, 2010 Commission File Number 001-33562

Platinum Group Metals Ltd.

(Exact name of registrant as specified in its charter)

British Columbia	**1099**	**Not Applicable**
(Province or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code)	(I.R.S. Employer Identification No.)

Bentall Tower 5
Suite 328 - 550 Burrard Street
Vancouver, BC
Canada V6C 2B5
(604) 899-5450
(Address and telephone number of registrant's principal executive offices)

DL Services Inc.
Columbia Center, 701 Fifth Avenue, Suite 6100
Seattle, WA 98104-7043
(206) 903-8800
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of Each Class:	Name of Each Exchange On Which Registered:
Common Shares, no par value	**NYSE Amex**

Securities registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **Non**

For annual reports, indicate by check mark the information filed with this form:
☐ Annual Information Form ☐ Audited Annual Financial Statements

At **August 31, 2010**, the Registrant had outstanding 93,964,792 common shares without par value.

Indicate by check mark whether the Registrant by filing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). If "Yes" is marked, indicate the filing number assigned to the Registrant in connection with such Rule. ☐ Yes ☒ No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. ☐ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). ☐ Yes ☐ No

DOCUMENTS INCORPORATED BY REFERENCE

The annual information form ("AIF") of Platinum Group Metals Ltd. (the "Registrant" or the "Company") for the fiscal year ended August 31, 2010 is incorporated herein by reference.

The audited consolidated financial statements of the Company as of August 31, 2010 and August 31, 2009 and the related consolidated statements of operations and comprehensive income, shareholders' equity, and cash flows for each of the three years ended August 31, 2010, including the report of the auditors with respect thereto, are incorporated herein and by reference. For a reconciliation of important differences between Canadian and United States generally accepted accounting principles, see Note 15 to the Company's audited consolidated financial statements.

The Company's management's discussion and analysis ("MD&A") for the year ended August 31, 2010 is incorporated herein by reference.

EXPLANATORY NOTE

The Company is a Canadian issuer eligible to file its annual report pursuant to Section 13 of the Exchange Act on Form 40-F. The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act. Accordingly, the Company's equity securities are exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3.

The Company is permitted, under a multi-jurisdictional disclosure system adopted by the United States, to prepare this annual report on Form 40-F in accordance with Canadian disclosure requirements, which are different from those of the United States.

The Company prepares its financial statements in accordance with Canadian generally accepted accounting practices ("GAAP"), and they may be subject to Canadian auditing and auditor independence standards. Accordingly, the financial statements of the Company incorporated by reference in this report may not be comparable to financial statements of United States companies. Significant differences between Canadian GAAP and United States GAAP are described in Note 16 to the audited consolidated financial statements of the Company incorporated by reference in this report.

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements concerning anticipated developments in the operations of the Company in future periods, planned exploration and development activities, the adequacy of the Company's financial resources and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as "expects," "anticipates," "believes," "intends," "estimates," "potential," "possible" and similar expressions, or statements that events, conditions or results "will," "may," "could" or "should" occur or be achieved. Information concerning the interpretation of drill results and mineral resource or reserve estimates also may be deemed to be forward-looking statements, as such information constitutes a prediction of what mineralization might be fo und to be present if and when a project is actually developed. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those described in the AIF incorporated by reference in this report.

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made and the Company assumes no obligation to update such forward-looking statements in the future. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

DISCLOSURE CONTROLS AND PROCEDURES

The information provided under the heading “Disclosure Controls and Internal Control Over Financial Reporting” contained in the Company’s MD&A is incorporated by reference herein.

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The information provided under the heading “Disclosure Controls and Internal Control Over Financial Reporting” contained in the Company’s MD&A is incorporated by reference herein.

ATTESTATION REPORT OF THE REGISTERED ACCOUNTING FIRM

The information provided under the heading “Independent Auditor’s Report to the Shareholders of Platinum Group Metals Ltd.” contained at the beginning of the Company’s audited consolidated financial statements is incorporated by reference herein.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

The information provided under the heading “Disclosure Controls and Internal Control Over Financial Reporting” contained in the Company’s MD&A is incorporated by reference herein.

AUDIT COMMITTEE FINANCIAL EXPERT

The information provided under the heading “Directors and Officers – Committees of the Board of Directors – Audit Committee Composition and Background” contained in the Company’s AIF is incorporated by reference herein.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information provided under the headings “Directors and Officers – Committees of the Board of Directors – Independent Auditor’s Fees” and “Directors and Officers – Committees of the Board of Directors – Pre-Approval Policies and Procedures” contained in the Company’s AIF is incorporated by reference herein.

CODE OF ETHICS

The information provided under the heading “Directors and Officers - Code of Ethics” contained in the Company’s AIF is incorporated by reference herein.

OFF-BALANCE SHEET ARRANGEMENTS

The information provided “Discussion of Operations and Financial Conditions – Off-Balance Sheet Arrangements” contained in the Company’s MD&A is incorporated by reference herein.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The following Table discloses the Company's contractual obligations for mineral property acquisition payments and office and equipment leases. The Company has no long term debt or loan obligations.

	Payments by period in Canadian Dollars				
	Total	**< 1 Year**	**1 – 3 Years**	**3 – 5 Years**	**> 5 Years**
Optional Subscription into Maseve[1]	$58,500,000	$58,500,000	$0	$ 0	$0
Optional Acquisition Payments (War Springs & Tweespalk)[2]	$3,215,000	$3,215,000	$0	$0	$0
Surface Rights Option[3]	$16,731,000	$16,731,000			
Lease Obligations	$33,873	$33,873	$ 1,694	$0	$0
Totals	**$78,479,873**	**$78,479,873**	**$1,694**	**$ 0**	**$ 0**

Explanatory Notes:

(1) The optional Maseve Subscription Right is denominated in Rand and is set at Rand 408.8 million (approx. $58.50 million on November 26, 2010). See above at item "2. Discussion of Operations and Financial Condition, a) Results of Operations" for details of the Maseve Subscription Right.
(2) The optional acquisition payments for the War Springs and Tweespalk properties are denominated in US dollars. See item 2. d) "Exploration Programs and Expenditures" above.
(3) The optional surface right acquisition for the land overlaying the area of the planned Project 1 Platinum Mine is set at Rand 117 million (approx. $16,731,000 on November 26, 2010).

For additional information related to the Company's contractual obligations and commitments, including certain optional property acquisition payments, see the information set forth under the heading "Liquidity and Capital Resources" contained in the Company's MD&A.

IDENTIFICATION OF THE AUDIT COMMITTEE

The information provided under the heading "Directors and Officers – Audit Committee Composition and Background" contained in the Company's AIF is incorporated by reference herein. The Company has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended.

UNDERTAKINGS

The Company undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or to transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Company has previously filed with the Commission a written consent to service of process and power of attorney on Form F-X. Any change to the name or address of the Company's agent for service shall be

communicated promptly to the Commission by amendment to the Form F-X referencing the file number of the Company.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

PLATINUM GROUP METALS LTD.

/s/ R. Michael Jones
R. Michael Jones
President, Chief Executive Officer and Director

Date: November 29, 2010

EXHIBIT INDEX

The following documents are being filed with the Commission as exhibits to this annual report on Form 40-F.

Exhibit	Description
1.	Annual Information Form
2.	Audited Consolidated Financial Statements as of August 31, 2010 and August 31, 2009 and the related consolidated statements of operations and comprehensive income, shareholders' equity, and cash flows for each of the three years ended August 31, 2010, including the report of the auditors with respect thereto
3.	Management's Discussion and Analysis for the year ended August 31, 2010
4.	Certification of Chief Executive Officer as Required by Rule 13a-14(a) under the Exchange Act
5.	Certification of Chief Financial Officer as Required by Rule 13a-14(a) under the Exchange Act
6.	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
7.	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
8.	Consent of PricewaterhouseCoopers LLP
9.	Consent of Minxcon (Pty) Ltd.
10.	Consent of Turnberry Projects (Pty) Ltd.
11.	Consent of Wardrop Engineering Inc.
12.	News Release dated November 29, 2010

PLATINUM GROUP METALS

PLG:AMEX PTM:TSX

Annual Information Form of Platinum Group Metals Ltd.
For year ended: August 31, 2010

Annual Information Form – Filed November 29, 2010

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Documents Incorporated by Reference

Incorporated by reference into this Annual Information Form ("AIF") are the Consolidated Financial Statements of Platinum Group Metals Ltd. (The "Platinum Group" or the "Company") for the year ended August 31, 2010 as filed on November 29, 2010.

All financial information in this Annual Information Form is prepared in accordance with generally accepted accounting principles in Canada.

Date of Information

All information in this Annual Information Form is as of August 31, 2010 unless otherwise indicated.

Currency and Exchange Rates

All dollar amounts in this Annual Information Form are expressed in Canadian dollars unless otherwise indicated. The Company's accounts are maintained in Canadian dollars. All references to "U.S. dollars" or to "US$" are to U.S. dollars. All references to "ZAR" or to "R" or to "Rand" are to South African Rand.

The following table sets forth the rate of exchange for the Canadian dollar expressed in United States dollars in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods based on the noon rate of exchange as reported by the Bank of Canada for conversion of Canadian dollars into United States dollars.

Canadian Dollars to U.S. Dollars	Year Ended August 31		
	2010	2009	2008
Rate at end of period	US$0.9399	US$0.9118	US$0.9411
Average rate for period	US$0.9565	US$0.8484	US$0.9961
High for period	US$0.9950	US$0.9711	US$1.0905
Low for period	US$0.9244	US$0.7653	US$0.9365

The noon rate of exchange on November 26, 2010 as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was Canadian $1.00 equals US$0.9813.

The following table sets forth the rate of exchange for the South African Rand, expressed in Canadian dollars in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods based on the noon rate of exchange as reported by the Bank of Canada for conversion of South African Rand into Canadian dollars.

South African Rand to Canadian Dollars	Year Ended August 31		
	2010	2009	2008
Rate at end of period	$0.1443	$0.1409	$0.1380
Average rate for period	$0.1393	$0.1304	$0.1367
High for period	$0.1358	$0.1108	$0.1222
Low for period	$0.1441	$0.1502	$0.1514

The rate of exchange on November 26, 2010 as reported by the Bank of Canada for the conversion of South African Rand into Canadian dollars was one South African Rand equals Canadian $0.1430.

Metric Equivalents

For ease of reference, the following factors for converting Imperial measurements into metric equivalents are provided:

To convert from Imperial	To metric	Multiply by
Acres	Hectares	0.404686
Feet	Metres	0.30480
Miles	Kilometres	1.609344
Tons	Tonnes	0.907185
Ounces (troy)/ton	Grams/Tonne	34.2857

Terms used and not defined in this Annual Information Form that are defined in National Instrument 51-102 Continuous Disclosure Obligations shall bear that definition. Other definitions are set out in National Instrument 14-101 Definitions, as amended.

Forward Looking Statements

This report and the documents incorporated by reference herein contain “forward-looking statements” and forward-looking information (Collectively, “Forward-looking statements”) within the meaning of applicable Canadian and US securities legislation. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will, may, could or might occur in the future (including without limitation, statements regarding estimates and/or assumptions in respect of production, revenue, cash flows and costs, estimated project economics, mineral resource and mineral reserve estimates, potential mineralization, potential mineral resources and mineral reserves, projected timing of possible production, the Company’s exploration and development plans and objectives with respect to its projects and the successful exercise of the Maseve Subscription Right (as defined herein) are forward-looking statements.

These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements in respect of capital costs, operating costs, production rate, grade per tonne and smelter recovery are based upon the estimates in the Updated Feasibility Study (defined below) and the forward-looking statements in respect of metal prices and exchange rate are based upon the three year trailing average prices and the assumptions contained in the Updated Feasibility Study.

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual events or results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual events or results were realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events of the Company to differ materially from current expectations include, among other things: metals price volatility; additional financing requirements; economic and political instability; the ability to obtain and maintain necessary permits; fluctuations in the relative values of the Canadian dollar as compared to the South African Rand and the United States dollar; the ability of the Company to purchase the necessary surface rights for its mineral properties; p roperty title risks including defective title to mineral claims or property; the mineral exploration industry is extremely competitive; South African foreign exchange controls may limit repatriation of profits; the Company's designation as a "passive foreign investment company"; discrepancies between actual and estimated reserves and resources, between actual and estimated development and operating costs, between actual and estimated metallurgical recoveries and between estimated and actual production; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, South Africa or other countries in which the Company does or may carry out business in the future; success of exploration activities and permitting time lines; the speculative nature of mineral exploration, development and mining, including the risks of obtaining necessary licenses and permits; exploration, development and mining risks and the inherently dangerous nature of the mining industry, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, mine collapses, cave-ins or flooding and the risk of inadequate insu rance or inability to obtain insurance to cover these risks and other risks and uncertainties; the Company's limited experience with development-stage mining operations; the Company has a history of losses; most of the Company's properties contain no proven reserves; the ability of the Company to retain its key management employees; conflicts of interest; dilution through the exercise of outstanding options and warrants; share price volatility and no expectation of paying dividends; any disputes or disagreements with the Company's joint venture partners; socio-economic instability in South Africa or regionally; the Company's land in South Africa could be subject to land restitution claims; any adverse decision in respect of the Company's prospecting or future mining rights and projects in South Africa; the introduction of South African State royalties where the Company's current mineral reserves are located; and the other risks disclosed under the heading "Risk Factors" ; in this AIF.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

Cautionary Note to United States Readers – Differences Regarding the Definitions of Resource and Reserve Estimates in the United States and Canada

Mineral Reserve

The definitions of "mineral reserves", "proven mineral reserves" and "probable mineral reserves," as used in this report, are Canadian mining terms as defined in accordance with *National Instrument 43-101 - Standards of Disclosure for Mineral Projects* under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resources and Mineral Reserves Definitions and guidelines adopted by the CIM Council on August 20, 2000. CIM standards differ from the standards in the United States.

Under United States standards, a "mineral reserve" is defined as a part of a mineral deposit which could be economically and legally extracted or produced at the time the mineral reserve determination is made, where:

"reserve" means that part of a mineral deposit which can be economically and legally extracted or produced at the time of the reserve determination;

"economically" implies that profitable extraction or production has been established or analytically demonstrated to be viable and justifiable under reasonable investment and market assumptions; and

while "legally" does not imply that all permits needed for mining and processing have been obtained or that other legal issues have been completely resolved, for a reserve to exist, there should be a reasonable certainty based on applicable laws and regulations that issuance of permits or resolution of legal issues can be accomplished in a timely manner.

Mineral reserves are categorized as follows on the basis of the degree of confidence in the estimate of the quantity and grade of the deposit.

Under United States standards, proven or measured reserves are defined as reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes, grade and/or quality are computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geographic character is so well defined that size, shape, depth and mineral content of reserves are well established.

Under United States standards, probable reserves are defined as reserves for which quantity and grade and/or quality are computed from information similar to that of proven reserves (under United States standards), but the sites for inspection, sampling, and measurement are further apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven mineral reserves, is high enough to assume continuity between points of observation.

Mineral Resource

While the terms "mineral resource," "measured mineral resource," "indicated mineral resource," and "inferred mineral resource" are recognized and required by Canadian regulations, they are not defined terms under standards in the United States. As such, information contained in this report concerning descriptions of mineralization and resources under Canadian standards may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the United States Securities and Exchange Commission ("SEC"). "Indicated mineral resource" and "inferred mineral resource" have a great amount of uncertainty as to their existence and a great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "indicated mineral resource" or "inferred mineral resource" will ever be upgraded to a higher category. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.

Corporate Structure

The Company's head office is located at:

328 – 550 Burrard Street
Vancouver, British Columbia
Canada, V6C 2B5

The Company's registered office is located at:

Gowling Lafleur Henderson LLP
2300 - 550 Burrard Street
Vancouver, British Columbia
Canada, V6C 2B5

The Company is a British Columbia corporation amalgamated on February 18, 2002 pursuant to an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation. The Company was later transitioned on January 25, 2005 under the *Business Corporations Act* (British Columbia). On February 22, 2005, the Company's shareholders passed a special resolution to amend the authorized share capital from 1,000,000,000 common shares without par value to an unlimited number of common shares without par value, to remove the Pre-existing Company Provisions and to adopt new articles.

Platinum Group Metals and its Principal Subsidiaries

The Company has two wholly-owned subsidiaries and one majority-owned subsidiary, which are incorporated under the company laws of The Republic of South Africa. The Company conducts its South African exploration and development work through its wholly-owned direct subsidiary, Platinum Group Metals (RSA) (Proprietary) Limited ("PTM-RSA"). PTM-RSA holds 100% of the shares of a property holding company named Wesplats Holding (Proprietary) Limited. ("Wesplats"). The Company holds its interests in Project 1 and Project 3 of what was formerly the Western Bushveld Joint Venture ("WBJV") through an initial holding of 54.75% of Maseve Investments 11 (Pty) Limited ("Maseve"). The Company has a right to increase its holdings in Maseve to 74%. See details below under "General Development of the Business". The registered and records office of PTM-RSA, Wesplats and Maseve are located at 4th Floor, Aloe Grove, 196 Louis Botha Avenue, Houghton Estate, Johannesburg, 2000, Gauteng Province, Republic of South Africa. The principal business address of the Company is Suite 328, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5. The principal business address of PTM-RSA is Technology House, Greenacres Office Park, Victory Park, Johannesburg 2193, Gauteng Province, South Africa.

General Development of the Business

Since the Company was formed in 2002, it has been focused on the discovery and development of platinum operations primarily in South Africa and, to a lesser extent Canada. The Company is focused on bringing into production its platinum projects located in the Western Bushveld Complex of South Africa. Total global project expenditures for the Company's account in fiscal 2010, including the Company's share of WBJV development expenditures totaled $1,222,978 (2009 - $1,468,188, 2008 - $6,733,094), and of this $935,407 (2009 - $1,236,391, 2008 - $6,132,281) was for the WBJV and $287,571 (2009 - $231,797, 2008 - $388,973) was spent for other exploration net of recoveries from third parties. After meeting its earn in requirements in April 2006, PTM-RSA was only responsible for its 37% pro-rata share of expenditures until the original WBJV was dissolved on April 22, 2010. See the discussion of the "Western Bushveld Joint V enture, Western Limb, South Africa" below in this section.

The Company is currently conducting exploration activities funded by a joint venture partner on two projects on the North Limb of the Bushveld Complex. See the discussion of "War Springs and Tweespalk, North Limb, South Africa" and discussion about the Waterberg Project under "New Business, Bushveld Complex, South Africa" below in this section.

The Company has just commenced exploration on the Sable Project on the east end of the Western Bushveld Complex. See discussion about the Sable Project under "New Business, Bushveld Complex, South Africa" below in this section.

For details of the Company's acquisition and exploration of its mineral properties please refer to Notes 5 and 6 of its consolidated financial statements for the year ended August 31, 2010.

At present the Company has no debt other than trade payables in the normal course. The Company holds all of its cash in with a major Canadian chartered bank in current accounts, interest bearing deposits or short term GIC's. The Company currently owns no marketable securities.

Western Bushveld Complex Projects, Western Limb, South Africa

On October 26, 2004, the Company entered into the Western Bushveld Joint Venture Agreement and announced the formation of the WBJV with Anglo Platinum Limited ("Anglo" or "Anglo Platinum") and Africa Wide Mineral Prospecting and Exploration (Pty) Limited ("Africa Wide") in relation to a platinum exploration and development project on combined mineral rights covering approximately 67 square kilometers on the Western Bushveld Complex of South Africa. In April 2007, Anglo Platinum contributed a further 5 square kilometer area into the WBJV. The WBJV was divided into three distinct project areas, namely Projects 1, 2 and 3. The ownership interests of the WBJV were originally structured as 37% by Rustenburg Platinum Mines Ltd. ("RPM"), a subsidiary of Anglo Platinum; 26% by Africa Wide, who were later acquired in 2007 by Johannesburg Stock Exchange listed black economic empo werment company, Wesizwe Platinum (Pty) Ltd. ("Wesizwe"); and 37% by PTM-RSA, the operator of the joint venture.

On January 10, 2007, the Company completed a positive pre-feasibility study for the Project 1 area of the WBJV. During 2007 the WBJV then commissioned a Feasibility Study for the Project 1 area of the WBJV. A Feasibility Study and revised resource estimation for the Project 1 area of the WBJV was published on July 7, 2008, and was titled "Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)" ("The Feasibility Study"). This report was filed by the Company on www.sedar.com on August 21, 2008. The Feasibility Study considered and outlined the details and mitigation of several considered projects risks, assessed in full detail, including metallurgical recoveries, smelting and refining costs, surface and mining rights, permits, and involvement of communities in compliance with the Minerals and Petr oleum Resources Development Act (2002).

The Feasibility Study's findings were positive for a platinum mine in the Project 1 area of the WBJV. The Feasibility Study made a declaration of mineable reserves and outlined a scope for an underground mine producing 160,000 ounces per annum platinum or 250,000 ounces per annum platinum, palladium, rhodium and gold in concentrate.

On September 2, 2008, the Company announced that the parties to the WBJV had agreed to terms whereby the ownership of the WBJV would be consolidated and rationalized (the "Consolidation Transaction") and on December 9, 2008, the Company announced that it had executed definitive agreements in this regard.

An updated Feasibility Study and revised resource estimation for the Project 1 area of the WBJV was published and dated October 9, 2009 and titled "Technical Report (Updated Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)" ("The Updated Feasibility Study"). This report was filed by the Company on www.sedar.com on November 25, 2009. The revised resource estimation indicated that measured and indicated resources had increased as a result of further drilling in the Project 1 & 1A areas. These upgraded ounces have not yet been included in the mineable Reserves of the Updated Feasibility Study mine plan. The Updated Feasibility Study recommends a series of five simultaneous declines accessing the deposit with a mining rate of up to 156,000 reef tonnes per month, which provides 13 years of steady state tonnage production. First ore is reached by development 13 months from the commencement of underground work. Mining is only scheduled on the reserves. There are further defined resources in the Project 1 area which represent additional production potential. The mining and development plan includes conventional hand held drilling utilizing electrical drills and scraper winch clea ning.

The Project 1 mine design as described in the Updated Feasibility Study involves the construction of a platinum mine and concentrator to produce approximately 275,000 ounces of combined platinum, palladium, rhodium and gold ("4E") in concentrate per year steady state for 9 years with a 22 year total underground mine life. The capital cost for the mine and concentrator complex were estimated at R3.55 billion (approximately $508 million at the time of writing) for peak funding and R4.76 billion (approximately $681 million at the time of writing) for life of mine funding. The current peak funding capital cost estimate is approximately R500 million (approximately $72 million) lower than the July 2007 estimate, primarily due to the reduction in capital costs resulting in a design change from 100% diesel self electrical generation capacity to a 25% stand by capacity as well as from improved mine development planning.

The results of the Updated Feasibility Study show a 23.54% Internal Rate of Return "IRR" (pre-tax) Base Case, using 3 year trailing metal prices to September 2009, calculated on the monthly averages including US$1,343 per ounce for platinum. The Updated Feasibility Study model does not include escalation due to inflation of costs or metal prices.

Under the terms of the original WBJV Agreement, upon a decision to mine, the respective deemed capital contribution of each party would be credited a dollar amount, based on their contribution of measured, indicated and inferred platinum group metal ("PGM") ounces from the contributed properties comprising the WBJV. The ounces contributed would be determined based upon, and at the time of, the first bankable feasibility study for the WBJV, in accordance with the South African SAMREC code and agreed amongst the parties on a "Determination Date". On April 22, 2010 the Company paid an equalization amount due to Anglo of R 186.28 million (approximately $24.83 million at the time), including interest charges, as required under the terms of the original WBJV Agreement.

On April 22, 2010 the Consolidation Transaction was completed and the WBJV was dissolved. The parties had agreed that upon dissolution the equalization due under the original WBJV agreement would be paid and settled between the parties. At the moment of dissolution Wesizwe acquired all of Anglo's rights and interests to the mineral rights underlying the WBJV, retained Anglo's mineral rights to Project 2, and then transferred all of Anglo's mineral rights underlying Projects 1 and 3 into project operating company Maseve. The Company transferred its mineral rights underlying Project 1 into Maseve, the result being that Wesizwe retained 100% of Project 2 and that Maseve obtained 100% of Projects 1 and 3. The combined area covered by the mineral rights for Projects 1 and 3 held through project operating company Maseve comprises approximately 53 square kilometres.

Although the Company did not hold any of the mineral rights comprising Project 2, the Company had an 18.5% interest in Project 2 through the WBJV. In exchange for rescinding its 18.5% of Project 2 the Company effectively received a 17.75% interest in Maseve. For accounting purposes under Canadian GAAP this was treated as a deemed sale of 18.5% of Project 2 and was valued at estimated fair market value of $65.42 million, resulting in an accounting gain of $45.62 million. Also for accounting purposes the Company has accrued a deferred income tax liability of $22.5 million in relation to the deemed sale. This is a non-cash accrual for accounting purposes only as the Company and its advisors have determined that this deemed transaction is not a taxable event under the Income Tax Act of South Africa. The Company also received a 37% interest in Maseve in exchange for its share through the WBJV of Projects 1 and 3, bringing its holdings in Maseve to 54.75%. This part of the transaction was treated as a transfer of a business interest between controlled entities and was transferred at cost for accounting purposes. Wesizwe received a 45.25% initial interest in Maseve in exchange for the mineral rights it transferred to Maseve.

The Company has a right (the "Maseve Subscription Right") to acquire a further 19.25% interest in Maseve for subscriptions in the amount of R 408.8 million (approximately $58.50 million as of November 26, 2010), thereby allowing the Company to increase its shareholding in Maseve to 74%. The subscription funds paid into Maseve by the Company will be held in escrow to be applied towards Wesizwe's capital requirements for Projects 1 and 3. The cash subscriptions into Maseve are due by January 17, 2011 or the Company will lose the right to increase its interest to 74%. The Company may make partial subscriptions if it so chooses and intends to exercise the Maseve Subscription Right by January 17, 2011.

Under the new agreement, Anglo Platinum will hold a 60 day first right of refusal on the sale of ore or concentrate over the original WBJV mineral rights.

The Company believes that it now has acquired, or has a right to acquire, all surface rights necessary to execute construction and operation of the Project 1 Platinum Mine. During 2004 the Company acquired the 365.64 hectare Elandsfontein Farm adjacent to the area of the Project 1 Platinum Mine. During the year ended August 31, 2008 the Company purchased additional surface rights adjacent to the Project 1 deposit area measuring 216.27 hectares. During the 2009 year the Company completed the purchase of surface rights directly over a portion of the Project 1 deposit area measuring 358.79 hectares. On August 12, 2010 the Company acquired the right to purchase surface rights covering 1,713 hectares, including accommodation facilities and overlaying the area of the planned Project 1 Platinum Mine, for R130.0 million (approximately $18.57 million at the time). A deposit of Rand 13.0 million (approximately $1.85 millio n at the time) was paid to the Vendor on August 26, 2010. The purchase price balance of Rand 117.0 million (approximately $16.73 million at November 26, 2010) is due within one year or upon the grant of a mining authorization.

During October 2010 the Company completed a bought deal financing for net proceeds of approximately $135.6 million. See "Recent Financing" below in this section. From these proceeds, and cash on hand at the time the financing closed, the Company intends to exercise the Maseve Subscription Right by paying R 408.8 million (approximately $58.5 million at November 26, 2010) to Maseve before January 17, 2011. The Company then plans to execute an initial development and bulk sample program to begin sinking a twin decline into the central part of the Project 1 deposit. The initial program is currently budgeted at approximately $100 million, of which the Company will contribute $74 million and $26 million will be drawn down from the escrowed Maseve Subscription funds held for Wesizwe's share of costs. At the time of writing in late November 2010 the Company held cash on hand of approximately $144 mil lion.

The initial development budget for Project 1 will include finalizing the purchase of surface rights and facilities on the project areas for an amount of approximately $17.21 million and the remainder for the commencement of surface and earth works, including pads, lay down areas, a box cut and a decline. Such work will also include detailed implementation preparations to be made by the Company including working with the key potential contractors and the potential suppliers of water and power. The Company must also complete additional engineering work and consider potential changes in capital costs, power availability and project implementation schedules due to changes in the mining market, metals prices and other factors since the effective date of the Updated Feasibility Study. The Company has generally found an improvement of the availability of contractors and equipment, with a corresponding lowering of costs. Currently, the general outline of project implementation, costs and timing is believed by management of the Company to be appropriate but with an approximate delay to the project start of 10 to 12 months from the dates in the Updated Feasibility Study due to the delay in completing the Consolidation Transaction and the resulting delay in project funding.

Although the Company intends to use the funds from its recent financing as set out above, the actual allocation of the net proceeds may vary from those set out above, depending on future developments in the Company's mineral properties or unforeseen events.

As of the date of this AIF, the Company has applied to amend an existing bulk sample permit to allow the planned decline sinking from territory acquired through the Consolidation Transaction. The Company has also undertaken a process to appoint key personnel and contractors. An experienced Project Manager with experience building large platinum mines in the Bushveld Complex was hired in October 2010. As of the date of this AIF, final negotiations are underway to appoint an experienced engineering, procurement, construction and management firm as well as an underground mining contractor.

War Springs and Tweespalk, North Limb, South Africa

The Company has been active with an exploration program on its War Springs and Tweespalk projects in South Africa on the North Limb of the Bushveld Complex since 2005, consisting of diamond drilling, geophysical surveys and ground prospecting. In 2005 and 2006 the Company declared an inferred resource for the War Springs project. See NI 43-101 technical report titled "Inferred Resource Declaration (Amended), War Springs (Oorlogsfontein 45KS), Northern Limb Platinum Property" as filed on SEDAR in January 2006.

The War Springs deposit comes to surface at a low grade but with a favourable thickness of 6.5 to 8.0 metres. The War Springs property covers 22 square kilometres and is located 24 kilometres south of the Anglo Platinum open pit PPRust Platinum mine along the same "Platreef" section of the Bushveld Complex.

Subject to vendor payments due upon a decision to mine, the Company holds a 70% interest in the War Springs Project and Africa Wide and Taung Platinum Exploration (Pty) Ltd. ("Taung Platinum") each hold a 15% interest carried to feasibility study. Taung Platinum is an affiliated company of Moepi Platinum (Pty.) Ltd., which is Platmin Ltd.'s (PPN-TSX) Black Economic Empowerment partner in South Africa.

In March 2009, the Company announced an option agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC"), an incorporated administrative institution of the Government of Japan, pursuant to which JOGMEC may earn 35% (one half of the Company's interest) of Platinum Group's War Springs Project interest by incurring US$ 10 million in expenses over 5 years. Drilling was undertaken on the project funded by JOGMEC for several months in 2009. The first year firm commitment of US$500,000 to be incurred by March 31, 2009 was completed with approximately 4,102 metres drilled to that date. A further 840 metres were drilled to August 31, 2009. From September 1, 2009 to August 31, 2010 an additional 11,537.62 metres were drilled. Total expenditures incurred by JOGMEC to August 31, 2010 amounted to approximately $795,926.

Subject to vendor payments due upon a decision to mine, the Company also holds a 70% interest in the Tweespalk property. Africa Wide has a 30% participating interest in the Tweespalk property. During 2010 the Company did not conduct exploration work on the Tweespalk property. Further work is under consideration.

New Business, Bushveld Complex, South Africa

In 2008 the Company conducted a new business generative program including research and implementation, including the application for several new license areas on or near to the Bushveld Complex. The Company received the grant of several new prospecting permits in 2008 and 2009 as a result of this work. The Company entered into an exploration joint venture with Sable Platinum (Pty) Ltd. ("Sable") in 2008 with respect to new prospecting permits located at the eastern end of the Western Bushveld Complex encompassing 110.62 square kilometers. Sable has the right to earn a 51% interest in the joint venture by spending R 51 million in exploration costs over 5 years. A private Black Economic Empowerment group holds 26% and the Company will operate the exploration program and retain a 23% interest when the earn-in is complete. In November 2010 Sable advised the Company that they had obtained project funding and drilling on site commenced.

During September 2009 the Company was granted prospecting rights for a 118 square kilometre area named the Waterberg Project north of the known North Limb of the Bushveld Complex. The Company holds an initial 74% interest in the project and a private South African Black Economic Empowerment firm Mnombo Wethu Consultants CC ("Mnombo") holds a 26% interest. Magnetic, gravity, and general trends all indicate that the North Limb extends under shallow cover in this area and initial geochemical sampling confirms this interpretation.

In October 2009 the Company entered an agreement with JOGMEC and Mnombo whereby JOGMEC may earn up to a 37% interest in the Waterberg project for an optional work commitment of US$3.2 million over 4 years, while at the same time in exchange for matching JOGMEC's expenditures on a 26/74 basis, Mnombo may earn a 26% interest in the project. If required the Company has agreed to loan Mnombo their first $87,838 in project funding and the Company and JOGMEC may assist Mnombo to acquire commercial loans to fund their ongoing requirements, or may choose to allow Mnombo to defer those costs against their share of future proceeds from the project. Total expenditures incurred by JOGMEC to August 31, 2010 amounted to approximately $555,252. Exploration work consisted of geophysical surveys, ground mapping and compilation of existing data as well as initial drilling. Further work has been approved by JOGMEC.

Lac Des Iles, Ontario, Canada

Since 2002 the Company has held and maintained a large strategic mineral rights position at Lac Des Iles north of Thunder Bay, Ontario. Over the years exploration work has included prospecting, trenching, drilling and ground based geophysical surveys. Several zones of prospective palladium, platinum and gold mineralization in association with copper/nickel sulphides have been located on the project area hosted within intrusive settings similar to those found at the nearby Lac Des Iles Mine operated by North American Palladium Inc. A 1,125 metre drill program was completed on the Company's Lac Des Iles project in the first quarter of 2008 and a further 978 metres was completed in February 2009. In the year ended August 31, 2010 the Company incurred $238,758 in geophysical and other ground based work in the Thunder Bay area.

The Company maintains this large mineral rights position as a strategic holding against increasing prices for palladium and platinum. Encouraging exploration results for palladium, platinum, nickel and copper continue to be returned and the Company plans to invest further in this area. In October and November 2010 the Company staked additional mineral claims in the Thunder Bay area and is planning for exploration work in this camp in 2011.

Significant Acquisitions

Agreements with Anglo Platinum and Wesizwe to consolidate and rationalize the ownership of the WBJV were executed in December 2008 and were completed on April 22, 2010. Under the terms of the agreements the Company acquired the right to increase its interests in the Project 1 and 3 areas to 74%. See details above in this section "General Development of the Business".

Recent Financing

In October 2010 the Company raised gross proceeds of $143.81 million on the issue of 70.15 million shares on a bought deal basis. The net proceeds received by the Company from the offering were approximately $135.6 million (determined after deducting the underwriters' fee of $7.91 million and estimated expenses of the offering of $300,000). The Company's 2009 Updated Feasibility Study estimates the total capital cost to build the Project 1 Platinum Mine at US$443 million (at 8.0 Rand to the USD). The net proceeds of the offering will allow the Company to initiate development, but further financing will be required to complete the project, likely from a combination of debt financing and the issuance of additional equity. The Company continues to discuss financing possibilities for the debt component of the Project 1 capital cost requirements with several large banks who have expressed interest to be invo lved.

Description of the Company's Business

The Company is a British Columbia corporation incorporated on February 18, 2002 by an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation. The Company is a platinum focused exploration and development company conducting work primarily on mineral properties it has staked or acquired by way of option agreement in the Republic of South Africa and in Ontario, Canada.

Platinum Group is headquartered in Vancouver, British Columbia. The Company and its consolidated subsidiaries employ approximately 40 people in Canada and South Africa, with the majority of employees living and working in South Africa.

General

Our business is conducted primarily in South Africa, and to a lesser extent, in Ontario, Canada. As at the date hereof, our Project 1 in The Western Bushveld Complex of South Africa constitutes our only material property which has an outlined mineral reserve estimate. Planned exploration activities for fiscal 2011 on projects outside of Projects 1 and 3 include further additional soil sampling, geophysical surveys, mapping and drilling on the War Springs and Waterberg Projects on the North Limb of the Bushveld Complex in South Africa and on our Lac des Iles properties near Thunder Bay, Ontario.

Projects 1 and 3, after the Consolidation Transaction, comprise a platinum exploration and development project on combined mineral rights covering approximately 53 square kilometres on the Western Bushveld Complex of South Africa. The majority of the Company's exploration and development activities to date have been focused on Projects 1 and 3 and the completion and updating of a definitive feasibility study for the Project 1 area of that property. In 2008 and in 2009 the Company determined that Project 1 contains ore reserves that are economically recoverable. Since 2009 the Company has been preparing for the possible execution of a mine build program for Project 1, subject to project financing. See details above in "General Development of the Business" and below in "Western Bushveld Complex Projects".

The Company also holds interests in various other early stage exploration projects located in Canada and in South Africa. The Company continues to evaluate exploration opportunities both on currently owned properties and on new prospects. Details of these other projects may be found in Note 6 of the Company's August 31, 2010 audited financial statements and above in "General Development of the Business".

Under Canadian GAAP the Company currently defers all acquisition, exploration and development costs related to mineral properties. The recoverability of these amounts is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of the property, and any future profitable production; or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

To conduct its exploration and planning, the Company is dependent on sub-contractors for certain engineering, geological services, drilling equipment and supplies. These are generally available but vary in price and immediacy of availability subject to demand.

Subsequent to August 31, 2010 the Company has applied to amend an existing bulk sample permit to allow decline sinking from territory acquired through the Consolidation Transaction. The Company also undertook a process to appoint key personnel and contractors. An experienced Project Manager with experience building large platinum mines in the Bushveld was hired in October. At the time of writing in late November 2010 final negotiations were underway to appoint an experienced Engineering, Procurement, Construction and Management firm as well as an Underground Mining contractor.

Risk Factors

The Company's securities should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in the Company's Canadian and U.S. regulatory filings prior to making an investment in the Company. Without limiting the foregoing, the following risk factors should be given special consideration when evaluating an investment in the Company's securities.

General

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity and/or quality to return a profit from production.

Additional Funding May be Required

The Company may not have sufficient cash resources on hand to meet all of the Company's future financial requirements relating to the exploration, development and operation of the Company's projects. The Company may require additional financing from external sources, such as joint ventures, debt financing or equity financing, in order to meet such requirements and carry out the future development of the Company's projects and external growth opportunities. The success and the pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions at that time. There can be no assurance that such financing will be available to the Company or, if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, this may have a depressive effect on the price of the Company's securities an d the interests of shareholders in the net assets of the Company may be diluted. Any failure by the Company to obtain required financing on acceptable terms could cause the Company to delay development of its material projects and could have a material adverse effect on the Company's financial condition, results of operations and liquidity.

Metal prices affect the success of the Company's business

Metal prices have historically been subject to significant price fluctuations over the last two year period. No assurance may be given that metal prices will remain stable. Significant price fluctuations over short periods of time may be generated by numerous factors beyond the control of the Company, including domestic and international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increases or decreases in production due to improved mining and production methods. Significant or continued reductions or volatility in metal prices may have an adverse effect on the Company's business, including the amount of the Company's reserves, the economic attractiveness of the Company's projects, the Company's ability to obtain financing and develop projects and, if the Co mpany's projects enter the production phase, the amount of the Company's revenues or profit or loss.

The Company's business is subject to exploration and development risks

With the exception of Project 1, all of the Company's properties are in the exploration stage and no known reserves have been discovered on such properties. At this stage, favourable drilling results, estimates and studies are subject to a number of risks, including:

- the limited amount of drilling and testing completed to date;
- the preliminary nature of any operating and capital cost estimates;
- the difficulties inherent in scaling up operations and achieving expected metallurgical recoveries;
- the likelihood of cost estimates increasing in the future; and
- the possibility of difficulties procuring needed supplies of electrical power and water.

There is no certainty that the expenditures to be made by the Company or by its joint venture partners in the exploration of the properties described herein will result in discoveries of precious metals in commercial quantities or that any of the Company's properties will be developed. Most exploration projects do not result in the discovery of precious metals and no assurance can be given that any particular level of recovery of precious metals will in fact be realized or that any identified resource will ever qualify as a commercially mineable (or viable) resource which can be legally and economically exploited. The resource and reserve estimates contained herein have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Estimates of reserves, mineral deposits and production costs can also be affected by such facto rs as environmental permit regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade and/or quantity of precious metals ultimately recovered may differ from that indicated by drilling results. There can be no assurance that precious metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. Extended declines in market prices for platinum, palladium, rhodium and gold may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition. Amendments to the mine plans and production profiles may be required as the amount of resources changes or upon receipt of further information during the implementation phase of the project.

The Company requires various permits in order to conduct its current and anticipated future operations, and delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company

The Company's current and anticipated future operations, including further exploration, development activities and commencement of production on the Company's properties, require permits from various South African national, provincial, territorial and local governmental authorities. In particular, the Company must obtain a mining right for Project 1 and an Environmental Impact Assessment must be completed. Although it is probable that the Company will be granted a mining right, there can be no absolute assurance that all licenses and permits which the Company requires for the construction of mining facilities and the conduct of mining operations will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such licenses and permits, or a failure to comply with the terms of any such licenses and permits that the Company has obtained, could have a material adverse impact on the Company.

The Company is subject to the risk of fluctuations in the relative values of the Canadian Dollar as compared to the South African Rand and the United States Dollar

The Company may be adversely affected by foreign currency fluctuations. The Company is primarily funded through equity investments into the Company denominated in Canadian Dollars. In the normal course of business the Company enters into transactions for the purchase of supplies and services denominated in South African Rand. The Company also has cash and certain liabilities denominated in South African Rand. Several of the Company's options to acquire properties or surface rights in the Republic of South Africa may result in payments by the Company denominated in South African Rand or in U.S. Dollars. Exploration, development and administrative costs to be funded by the Company in South Africa will also be denominated in South African Rand. Fluctuations in the exchange rates between the Canadian Dollar and the South African Rand or U.S. Dollar may have an adverse or positive affect on the Company.

Not all of the Surface Rights for Project 1 have been purchased

The Company has purchased or acquired a right to purchase approximately 2,655 hectares (6,560 acres) of contiguous surface rights over the area where all of the proposed infrastructure will be located as designed in the Updated Feasibility Study. The Company owns approximately 942 hectares outright and has paid a 10% deposit of R13.0 million (approximately $1.85 million) on the purchase of approximately 1,713 hectares, including significant surface facilities. The 100%-owned areas comprising approximately 942 hectares do not all overlay the Company's mineral rights and do not overlay the main area where the proposed infrastructure will be located and they have not been tested for geotechnical suitability. Amendments to the mine plan, capital and operating cost estimates that would be required to relocate the mine infrastructure to these properties have not been undertaken. An allowance for the cost of p urchasing surface rights was included in the Updated Feasibility Study. The failure to complete the purchase the 1,713 hectare property described above will likely increase the costs of developing Project 1 and it may prevent or delay the development of Project 1.

The mineral exploration industry is extremely competitive

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies that possess greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable new producing properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel.

South African foreign exchange controls may limit repatriation of profits

Loan capital or equity capital may be introduced into South Africa through a formal system of exchange control. Proceeds from the sale of assets in South Africa owned by a non-resident are remittable to the non-resident. Approved loan capital is generally remittable to a non-resident company from business profits. Dividends declared by a non-listed South African company are remittable to non-resident shareholders. However, there can be no assurance that restrictions on repatriation of earnings from the Republic of South Africa will not be imposed in the future.

Judgments based upon the civil liability provisions of the United States federal securities laws may be difficult to enforce

The ability of investors to enforce judgments of United States courts based upon the civil liability provisions of the United States federal securities laws against the Company and its directors and officers may be limited due to the fact that a majority of these persons reside outside of the United States and, in respect of the Company's directors and officers, their assets are located outside the United States. There is uncertainty as to whether Canadian courts would: (i) enforce judgments of United States courts obtained against the Company or its directors and officers predicated upon the civil liability provisions of the United States federal securities laws, or (ii) entertain original actions brought in Canadian courts against the Company or such persons predicated upon the federal securities laws of the United States, as such laws may conflict with Canadian laws. In Canada, civil rights are within t he legislative jurisdiction of the Provinces and Territories. The Province of British Columbia, in which the Company and all of its directors and officers are resident, does not have laws for the reciprocal enforcement of judgments of United States courts.

The Company is subject to significant governmental regulation

The Company's operations and exploration and development activities in South Africa and Canada are subject to extensive federal, state, provincial, territorial and local laws and regulation governing various matters, including:

- environmental protection;
- management and use of toxic substances and explosives;
- management of natural resources;
- exploration, development of mines, production and post-closure reclamation;
- exports;
- price controls;

- taxation;
- regulations concerning business dealings with local communities;
- labour standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in the Company incurring significant expenditures. The Company may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or a more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of the Company's properties.

The Company's operations are subject to environmental laws and regulation that may increase the Company's costs of doing business and restrict its operations

Environmental legislation on a global basis is evolving in a manner that will ensure stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed development and a higher level of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes to environmental legislation in Canada or South Africa will not adversely affect the Company's operations. Environmental hazards may exist on the Company's properties which are unknown at present and which have been caused by previous or existing owners or operators. Furthermore, future compliance with environmental reclamation, closure and other requirements may involve significant costs and other liabilities. In particular, the Company's operations and exploration activities are subject to Canadian and South Afri can national and provincial laws and regulations governing protection of the environment. Such laws are continually changing and, in general, are becoming more restrictive.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

The Company has not made any material expenditure for environmental compliance to date. However, there can be no assurance that environmental laws will not give rise to significant financial obligations in the future and such obligations could have a material adverse affect on the Company's financial performance.

Mining is inherently dangerous and subject to conditions or events beyond the Company's control, which could have a material adverse effect on the Company's business

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fire, flooding and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company's securities.

The Company has limited experience with development-stage mining operations

Although there are personnel within the Company who have experience with development stage mining operations, the Company's ability to place projects into production will be dependent upon using the services of both mining contractors and additional appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available the necessary expertise when and if the Company places its mineral properties into production.

The Company has a history of losses and it anticipates continuing to incur losses for the foreseeable future.

During the year ended August 31, 2010 the Company had net earnings of $26.66 million; a net loss of $6,963,384 in the year ended August 31, 2009; and a net loss of $5,086,589 in the year ended August 31, 2009. At August 31, 2010 the Company had an accumulated deficit of $7,558,726 while at August 31, 2009, the accumulated deficit was $34,218,900, and at August 31, 2008, the accumulated deficit was $27,255,516. The Company anticipates continued losses for the foreseeable future until it can successfully place one or more of its properties into commercial production on a profitable basis.

The Company is an exploration and development company with a history of losses and no history of revenues from its operations. None of the Company's properties are currently in production, and although an Updated Feasibility Study indicates a positive economic model for Project 1, there is no certainty that the Company will succeed in placing that project into production in the near future, if at all. The Company used $6,712,240 in cash for operating activities in 2010 and used $5,418,738 for that purpose in 2009 and $4,547,428 in 2008. The Company used $25,018,981 for investing activities in 2010, $3,128,914 in 2009 and $8,574,127 in 2008. Historically, the only source of funds available to the Company has been through the sale of its equity securities and minor cost recoveries.

The Company's continuing operations and the recoverability of the amounts capitalized for mineral properties in its consolidated financial statements, prepared in accordance with Canadian GAAP, is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay the Company's liabilities arising from normal business operations when they become due. External financing, predominately by the issuance of equity to the public, will be sought to finance the Company's operations; however, there is no assurance that sufficient funds will be raised.

Most of the Company's properties contain no known reserves

Project 1 contains mineral reserves. The remaining properties are in the exploration stage meaning that the Company has not determined whether such properties contain mineral reserves that are economically recoverable. Failure to discover economically recoverable reserves on a mineral property will require it to write-off the costs capitalized for that property in its Canadian GAAP financial statements. At August 31, 2010 deferred acquisition, exploration and development costs related to all of the Company's mineral property interests outside of the Projects totalled $6,437,564 (2009 - $6,057,034 and 2008 - $5,806,510).

The Company depends on its key management employees

The Company's development to date has depended, and in the future will continue to depend, on the efforts of its key management figures: R. Michael Jones, the Company's President, CEO and director; Frank R. Hallam, the Company's CFO and director; and Peter Busse, the Company's Chief Operating Officer. The loss of any of the Company's key management figures could have a material adverse effect on it. The Company has entered into contracts with the named directors, officers and employees. It does not maintain key man insurance on any of its management.

The Company's directors may be associated with other mineral resource companies

Certain of the Company's officers and directors may become associated with other natural resource companies that acquire interests in mineral properties. R. Michael Jones, the Company's President, CEO and director is also a director of West Kirkland Mining Inc. ("WKM"), a public company with mineral exploration properties in Ontario and Nevada, a director of MAG Silver Corp. ("MAG Silver"), a public company with silver properties in Mexico, and a director of Nextraction Energy Corporation ("Nextraction"), a public company with oil properties in Kentucky and Wyoming. Frank Hallam, the Company's CFO and director, is also a director of MAG Silver, a director of WKM, a director of Lake Shore Gold Corp, and a director of Nextraction. Eric Carlson, a director of the Company, is also a director of MAG Silver, WKM and Nextraction. Barry Smee, a director of the Company, is also a director of Almaden Resources Ltd., a company with projects in Mexico, the USA and Canada. Any conflicts which may arise will be dealt with as disclosed below.

Such associations may give rise to conflicts of interest from time to time. The Company's directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project or opportunity of the Company. If a subject involving a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and the Company's financial position at that time.

The Company's share price has been volatile in recent years

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of many companies, particularly those considered exploration or development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. In particular, the per share price of the Common Shares on the TSX fluctuated from a high of Cdn$2.92 to a low of Cdn$1.05 and on the NYSE Amex from a high of US$2.89 to a low of US$0.92 within the twelve month period ending August 31, 2010. There can be no assurance that continual fluctuations in price will not occur.

The Company does not expect to pay dividends

The Company has not paid any dividends since incorporation and it has no plans to pay dividends for some time. The Company's directors will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time. All of the Common Shares are entitled to an equal share of any dividends declared and paid.

The Company's prospecting rights are subject to title risks

The Company's prospecting rights may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. The Company holds its interest in Project 1 and Project 3 through its holdings of Maseve, which company in turn holds 100% of the prospecting rights comprising Project 1 and Project 3. Although duly approved and issued, these prospecting rights are still in process of final title registration by the Government of the Republic of South Africa. These or other defects could adversely affect the Company's title to such properties or delay or increase the cost of the development of such prospecting rights.

Any disputes or disagreements with the Company's joint venture partners could materially and adversely affect the Company's business

PTM-RSA is a party to a shareholders agreement with Africa Wide and Maseve related to the exploration and development of Project 1 and Project 3 (the "Maseve Shareholders Agreement"). Certain members of the management and boards of directors of Maseve are nominated by Wesizwe. Although the Company has majority control of Maseve and its board of directors, there is no assurance that the strategic direction of Maseve will always be consistent with the Company's objectives. Any change in the management or strategic direction of Wesizwe or one or more of the Company's other joint venture partners could materially and adversely affect the Company's business and results of operations. Additionally, if a dispute arises between the Company and a joint venture partner which cannot be resolved amicably, the Company may be unable to move its projects forward and may be involved in length y and costly proceedings to resolve the dispute, which could materially and adversely affect the Company's business and results of operations.

Socio-economic instability in South Africa or regionally may have an adverse effect on the Company's operations and profits

The Company has ownership interests in significant projects in South Africa. As a result, it is subject to political and economic risks relating to South Africa, which could affect an investment in the Company. South Africa was transformed into a democracy in 1994. The government policies aimed at redressing the disadvantages suffered by the majority of citizens under previous governments may impact the Company's South African business. In addition to political issues, South Africa faces many challenges in overcoming substantial differences in levels of economic development among its people. While South Africa features highly developed and sophisticated business sectors and infrastructure at the core of its economy, large parts of the population do not have access to adequate education, health care, housing and other services, including water and electricity.

The Company is subject to a number of South African statutes aimed at promoting the accelerated integration of historically disadvantaged South Africans, including the MPRDA, the *Broad-Based Black Economic Empowerment Act, 2003* (the "BEE Act") and the *Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry* (the "Charter"). To ensure that the socio-economic strategies are implemented, the BEE Act provided for Codes of Good Practice (the "Codes") issued by the South African Minister of Trade and Industry which specify empowerment targets consistent with the objectives of the BEE Act. The scorecard of the Mining Charter requires the mining industry's commitment of applicants in respect of ownership, management, employment equity, human resource development, procurement and beneficiation. The Charter also set out targets and criteri a for broad-based black economic empowerment.

The Company cannot predict the future political, social and economic direction of South Africa or the manner in which government will attempt to address the country's inequalities. It is also difficult to predict the impact of addressing these inequalities on the Company's business. Furthermore, there has been regional, political and economic instability in countries north of South Africa. Such factors may have a negative impact on the Company's ability to own, operate and manage its South African mining projects.

The Company's land in South Africa could be subject to land restitution claims which could impose significant costs and burdens

The Company's privately held land could be subject to land restitution claims under the *South African Restitution of Land Rights Act 1994* (the "Land Claims Act"). Under the Land Claims Act, any person who was dispossessed of rights in land in South Africa as a result of past racially discriminatory laws or practices without payment of just and equitable compensation is granted certain remedies, including the restoration of the land against payment of the owner of compensation by the state. Under the Land Claims Act, persons entitled to institute a land claim were required to lodge their claims by December 31, 1998. The Company has not been notified of any land claims, but any claims of which it is notified in the future could have a material adverse effect on its right to the properties to which the claims relate and, as a result, on the Company's business, operating results and financial conditi on.

The *South African Restitution of Land Rights Amendment Act 2004* (the "Amendment Act"), became law on February 4, 2004. Under the Land Claims Act, the South African Minister for Agriculture and Land Affairs (the "Land Minister"), may not acquire ownership of land for restitution purposes without a court order unless an agreement has been reached between the affected parties. The Amendment Act, however, entitles the Land Minister to acquire ownership of land by way of expropriation either for claimants who do not qualify for restitution, or, in respect of land as to which no claim has been lodged but the acquisition of which is directly related to or affected by a claim, the acquisition of which would promote restitution to those entitled or would encourage alternative relief to those not entitled. Expropriation would be subject to provisions of legislation and the South African Constitution which provides, in general, for just and equitable compensation. There is, however, no guarantee that any of the Company's privately held land rights could not become subject to acquisition by the state without the Company's agreement, or that the Company would be adequately compensated for the loss of its land rights, which could have a negative impact on the Company's South African projects and therefore an adverse effect on its business and financial condition.

Any adverse decision in respect of the Company's mineral rights and projects in South Africa under the MPRDA could materially affect the Company's projects in South Africa

With the enactment of the MPRDA, the South African state became the sole regulator of all prospecting and mining operations in South Africa. All prospecting and mining licences and claims granted in terms of any prior legislation became known as the "old order rights". All prospecting and mining rights granted in terms of the MPRDA are "new order rights". All old order prospecting rights had to be lodged for conversion by May 1, 2006 and all old order mining rights had to be lodged for conversion by May 1, 2009. Provided a compliant conversion application was lodged before the cut-off date, the old order prospecting or mining right will remain valid pending the conversion. The treatment of these conversions, new applications and pending applications is uncertain and any adverse decision by the relevant regulatory authorities under the new legislation may adversely affect title to the Company's mineral rights in South Africa which could stop, materially delay or restrict the Company from proceeding with its exploration activities or any future development activities or mining operations.

A wide range of factors and principles must be taken into account by the South African Minister of Mineral Resources when considering applications for conversion of old order rights or applications for new order rights. These factors include the applicant's access to financial resources and appropriate technical ability to conduct the proposed prospecting or mining operations, the environmental impact of the operation and, in the case of prospecting rights, considerations relating to fair competition. Other factors include considerations relevant to promoting employment and the social and economic welfare of all South Africans and showing compliance with the provisions regarding the empowerment of historically disadvantaged persons in the mining industry. The MPRDA also provides that a mining right granted under it may be cancelled if the mineral to which such mining right relates is not mined at an optimal rate. All of the Company's old order prospecting permits in respect of Project 1 and Project 3 have now been converted into new order prospecting rights.

If the Company does not comply with the MPRDA, the Company may be materially delayed or restricted from proceeding with its exploration activities, with the development of future mines and with potential mining operations.

The introduction of South African State royalties where all of the Company's current mineral reserves are located could have an adverse effect on the Company's results of operations and its financial condition

The *Mineral and Petroleum Resources Royalty Act* (the "MPRRA") came into operation on May 1, 2009. The MPRRA provides for a minimum royalty rate of 0.5% and a maximum rate of 7% for unrefined product, and the royalty will be a tax deductible expense. The feasibility studies covering the Company's South African projects made certain assumptions related to the expected royalty rates under the MPRRA. If and when the Company begins earning revenue from its South African mining projects, and if the royalties under the MPRRA differ from those assumed in the feasibility studies, this new royalty could have a material and adverse impact on the economic viability of the Company's projects in South Africa, as well as on the Company's prospects, financial condition and results of operations.

There can be no assurance that an active market for the Common Shares will be sustained

Securities of mining companies have experienced substantial volatility in the past, and especially during the last couple of years, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also likely to be significantly affected by short-term changes in commodity prices, other precious metal prices or other mineral prices, currency exchange fluctuations, financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the performance of the Company that may have an effect on the price of the securities of the Company include the following: the extent of analytical coverage available to investors concerning the bu siness of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of securities of the Company; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the securities of the Company that persists for a significant period of time could cause the Company's securities to be delisted from an exchange, further reducing market liquidity. If an active market for the securities of the Company does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Company may decline. As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

There will be dilution from further equity financings

In order to finance future operations, the Company may raise funds through the issuance of common shares or the issuance of debt instruments or other securities convertible into common shares. The Company cannot predict the size of future issuances of common shares or the size and terms of future issuances of debt instruments or other securities convertible into common shares or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the common shares. Any transaction involving the issuance of previously authorized but unissued shares, or securities convertible into common shares, would result in dilution, possibly substantial, to present and prospective security holders.

Management will have discretion concerning the use of cash resources as well as the timing of expenditures.

Investors will be relying on the judgment of management for the application of the cash resources of the Company. Management may use cash in ways that an investor may not consider desirable. The results and the effectiveness of the application of cash resources are uncertain. If cash resources are not applied effectively, the Company's results of operations may suffer.

Projects 1 and 3 of the Western Bushveld Complex

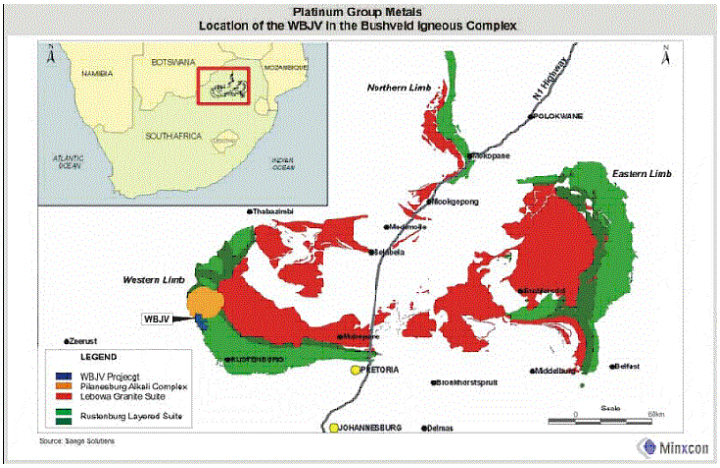
Readers are encouraged to read the following technical reports, from which the disclosure in this section has been derived:

1. Filed on SEDAR October 5, 2010: Technical Report Western Bushveld Joint Venture Project 3;
2. Filed on SEDAR November 25, 2009: Updated Technical Report (Updated Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd);
3. Filed on SEDAR July 15, 2009: Revised Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd); and
4. Filed on SEDAR June 11, 2008: Competent Persons Report on Project 3 of the Western Bushveld Joint Venture (WBJV) Located on the Western Limb of the Bushveld Igneous Complex, South Africa.

Project Description and Location

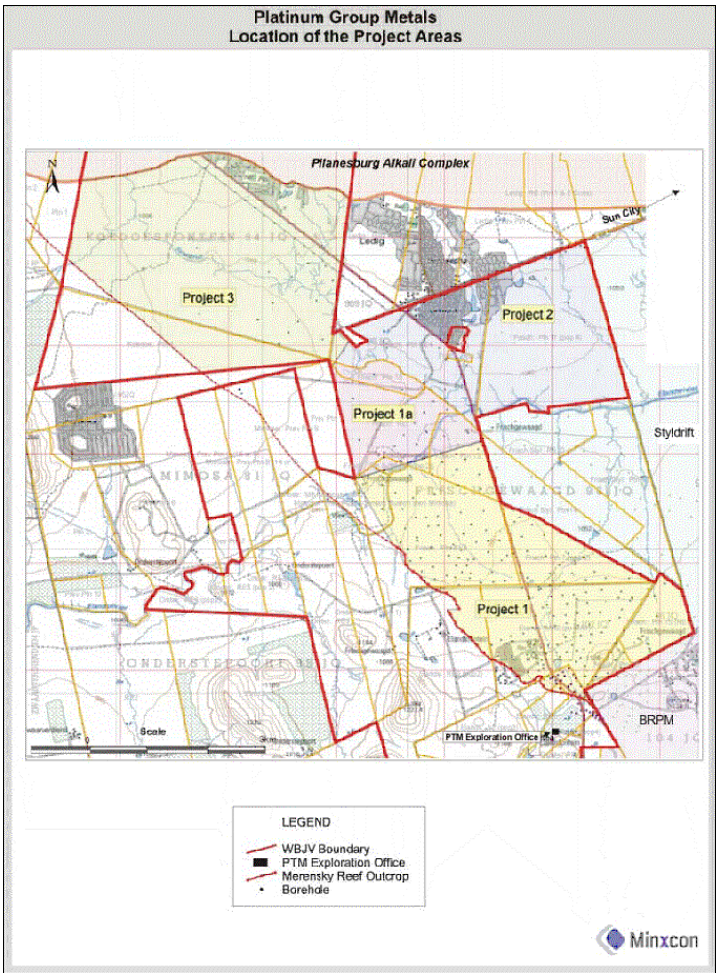
The approximately 53 square kilometres of mineral rights comprising Projects 1 and 3 are currently owned 100% by project operating company Maseve. PTM-RSA currently owns 54.75% of Maseve while Wesizwe owns the remaining 45.25%. PTM-RSA has a right until January 17, 2011 to subscribe for additional shares of Maseve to bring its holdings to 74%. Maseve is operated by PTM-RSA in accordance with the terms of a Shareholders' Agreement. The property is divided into two distinct project areas, namely Projects 1 and 3. Project "1A" as discussed below is simply a subdivision of Project 1.

Projects 1 and 3 are located on the south-western limb of the Bushveld Igneous Complex ("BIC"), 110km west-northwest of Pretoria and 120km from Johannesburg. The BIC is unique and well known for its layering and continuity of economic horizons mined for platinum, palladium and other platinum-group elements ("PGEs"), chrome and vanadium.



The total area includes portions of the Company's properties, namely Elandsfontein 102JQ, Mimosa 81JQ and Onderstepoort 98JQ, and also certain portions of Elandsfontein 102JQ, Onderstepoort 98JQ, Frischgewaagd 96JQ, Mimosa 81JQ and Koedoesfontein 94JQ originally contributed by RPM. These properties are centred on Longitude 27^{o} 00' 00'' (E) and Latitude 25^{o} 20' 00'' (S) and the mineral rights now cover approximately 53km^{2} or 5,300ha.

Project Area 1 and 1A covers an area of 10.87km ^{2} or 1,087ha in extent. Specifically, Project Area 1 and 1A consist of a section of Portion ("Ptn") 18, the Remaining Extent ("Re"), Ptn 13, Ptn 8, Re of Ptn 2, Ptn 7, Ptn 15 and Ptn 16 of the farm Frischgewaagd 96JQ, sections of Ptn 2, Ptn 9 and Ptn 12 of the farm Elandsfontein 102JQ and a small section of the Re of the farm Mimosa 81JQ. Project Area 3 covers an area of 224.28ha in extent and is located on a section of the farm Koedoesfontein 94JQ.


Platinum Group Metals
Location of the Project Areas
Pilanesburg Alkali Complex
Sun City
Ledig
Project 3
Project 2
Project 1a
Styldrift
Project 1
BRPM
PTM Exploration Office
Scale
LEGEND
WBJV Boundary
PTM Exploration Office
Merensky Reef Outcrop
Borehole
Minxcon

The resources of Project Area 1 and 1A are located approximately 11km along strike from the active Merensky Reef (sometimes referred to as "MR") mining face at the operating Bafokeng Rasimone Platinum Mine ("BRPM"). BRPM completed opencast mining on the Upper Group 2 ("UG2") Reef within 100m of the property boundary.

The potential economic horizons in Project Area 1 and 1A are the Merensky Reef and UG2 Chromitite seam situated in the Critical Zone ("CZ") of the Rustenburg Layered Suite ("RLS") of the BIC; these horizons are known for their continuity. The Merensky Reef and UG2 Chromitite seam are mined at the BRPM adjoining the property as well as on other contiguous platinum-mine properties. In general, the layered package dips at less than 20 degrees and local variations in the reef attitude have been modeled. The Merensky Reef and UG2 Chromitite seam, in the Project Area, dip between 4 and 42 degrees, with an average dip of 14 degrees.

Drilling, in the form of diamond drilling, has been carried out over the Project Area and to-date 231 boreholes have been drilled for the purposes of understanding the geology, structure and metallurgy of the ore body in the Project Area. PTM-RSA has established a site office to the south of the Project Area, and all core is stored in the core yard on site. All logging and sampling of the core is undertaken at the site office core yard and the samples have been sent to Genanalysis (Perth), ALS Chemex (South Africa) and currently samples are sent to Set Point Laboratories (South Africa). To the time of the Updated Feasibility Study in October 2009 a total of 32,020 samples had been assayed and utilised in the estimation of the Mineral Resources over the Project Area.

Licences

The Consolidation Transaction was subject to ministerial approval of the cession of various prospecting rights in accordance with the provisions of section 11 of the Mineral and Petroleum Resources Development Act 2002. The required cession of the prospecting rights was duly approved by the Minister of Mineral Resources on April 22, 2010. The result of the ministerial approval of the cessions was that the prospecting rights would be grouped into 3 projects referred as Project 1, Project 2 and Project 3. The prospecting rights in respect of Project 2 were ceded to Bakubung Minerals (Proprietary) Limited, also a subsidiary of Wesizwe. The prospecting rights in respect of Project 1 and Project 3 were ceded to Maseve.

As a result of the transaction Maseve now holds 9 separate new order prospecting rights which are recorded below as follows:

1.	Elandsfontein 102 JQ -	DMR 18 PR - Portion 12, Remaining Extent of Portion 1 and Remaining Extent of Portion 14.
2.	Elandsfontein 102 JQ–	DMR 1274 PR – Portions 8 and 9
3.	Onderstepoort 98 JQ -	DMR 1327 PR – Portions 4, 5 and 6
4.	Onderstepoort 98 JQ -	DMR 1328 PR –Portions 3 and 8.
5.	Onderstepoort 98 JQ -	DMR 19 PR - Portions 14 and 15
6.	Onderstepoort 98 JQ -	DMR 558 PR - Portions Portion 9 –Mineral Area 1 Ruston 97 JQ (Now Mimosa 81) and Mineral Area 2 Ruston 97 (NowMimosa 81)
7.	Frischgewaagd 98 JQ -	DMR 1109 PR- Remaining Extent-Remaining Extent of Portion 2-Remaining Extent of Portion 6, Portions 7,8,13,15,16 and 18. Remaining Extent of Portion 2 (Former Mineral Area 2)
8.	Koedoesfontein 94 JQ -	DMR 1264 PR - Portion of the farm Koedoesfontein.
9.	Koedoesfontein 94 JQ -	DMR 1682 PR - Portion of the farm Koedoesfontein.

The Prospecting Rights are all current and are held in the Regional Office of the Department of Mineral Resources in Klerksdorp which is situated in the North West Province for platinum group metals ("PGMs"), nickel, chrome and gold. Licence specifications for these prospecting permits may be found in the technical reports filed on SEDAR as detailed above under the heading "Western Bushveld Joint Venture".

Rights to surface and minerals

PTM-RSA acquired an option to purchase 100% of the surface and mineral rights to the farm Elandsfontein 102 JQ in December 2002. The rights to Elandsfontein portions Re 1, 12 and Re 14 measure an aggregate 364.6357 Ha. By December 2005 the Company had purchased these surface and mineral rights in exchange for total payments of approximately $1.7 million. One half of this cost was applied to the surface rights and the other half was applied to the mineral rights. The acquired mineral rights were contributed to the WBJV under the terms of the original WBJV agreement.

PTM-RSA acquired its original interests in respect of the mineral rights on portions of the farm Onderstepoort 4, 5 and 6; Onderstepoort 3 and 8; and Onderstepoort 14 and 15 by way of option agreements. All of the Onderstepoort option agreements were later bought out by way of settlement agreements in 2007 and 2008. PTM-RSA contributed its interests in these properties to the WBJV.

The remainder of the WBJV mineral properties, being certain portions of Elandsfontein 102JQ, Onderstepoort 98JQ, Frischgewaagd 96JQ, Mimosa 81JQ and Koedoesfontein 94JQ, were contributed to the original WBJV by Anglo Platinum.

On August 12, 2010 the Company acquired the right to purchase surface rights covering 1,713 hectares, including accommodation facilities and overlaying the area of the planned Project 1 Platinum Mine, for R 130.0 million (approximately $18.57 million at the time). A deposit of R 13.0 million (approximately $1.85 million at the time) was paid to the Vendor on August 26, 2010. The purchase price balance of R 117.0 million (approximately $16.73 million at November 26, 2010) is due within one year or upon the grant of a mining authorization. During the year ended August 31, 2009 the Company purchased surface rights adjacent to the Project 1 deposit area measuring 216.27 hectares for an amount of Rand 8.0 million (approximately C$1.09 million). During the 2008 year the Company also purchased surface rights directly over a portion of the Project 1 deposit area measuring 358.79 hectares for an amount of Rand 15.07 million (ap proximately C$2.07 million). The surface rights to these three properties are to the benefit of the Company only. The Company may assign some or all of these rights to project operating Company Maseve in exchange for costs of acquisition.

Mineralized zones

The BIC in general is well known for containing a large share of the world's platinum and palladium resources. There are two very prominent economic deposits within the BIC. Firstly, the Merensky Reef and the UG2 chromitite, which together can be traced on surface for 300km in two separate areas. Secondly, the Northern Limb (“Platreef”), which extends for over 120km in the area north of Mokopane.

In the past the Bushveld’s platinum- and palladium-bearing reefs have been estimated at about 770 and 480 million ounces respectively (down to a depth of 2,000 metres). These estimates do not distinguish between the categories of Proven and Probable Reserves and Inferred Resource. Recent calculations suggest about 204 and 116 million ounces of Proven and Probable Reserves of platinum and palladium respectively, and 939 and 711 million ounces of Inferred Resources. Mining is already taking place at 2km depth in the BIC. Inferred and ultimately mineable ore resources can almost certainly be regarded as far greater than the calculations suggest. These figures represent about 75% and 50% of the world's platinum and palladium resources respectively. Reserve figures for the Proven and Probable categories alone in the BIC appear to be sufficient for mining during the next 40 years at the current rate of production. However, estimated worl d resources are such as to permit extraction at a rate increasing by 6% per annum over the next 50 years. Expected extraction efficiency is less for palladium. Thereafter, down-dip extensions of existing BIC mines, as well as lower-grade areas of the Platreef and the Middle Group chromitite layers (sometimes referred to as “CL”), may become payable. Demand, and hence price, will be the determining factor in such mining activities rather than availability of ore.

Exploration drilling to date in the area has shown that both economic reefs (Merensky and UG2) are present and economically exploitable on the WBJV properties. The separation between these reefs tends to increase from the subcrop environment (less than five metres apart) to depths exceeding 650 metres (up to 50 metres apart) towards the northeast. The subcrops of both reefs generally strike southeast to northwest and dip on average 14 degrees to the northeast. The reefs locally exhibit dips from 4 to 42 degrees (average 14 degrees) as observed from borehole information.

The most pronounced PGM mineralisation along the western limb of the BIC occurs within the Merensky Reef and is generally associated with a 0.1–1.2m-thick pegmatoidal feldspathic pyroxenite unit. The second important mineralized unit is the UG2 CL, which is on average 0.6–2.0m thick.

Environmental liabilities and Prospecting permits

There are known environmental issues relating to the Company's or Maseve's properties.

Mining and exploration companies in South Africa operate with respect to environmental management principles and environmental management programmes more fully set out in section 39 of the Mineral and Petroleum Resources Development Act 2002 ("MPRDA") and the regulations published in respect thereof.

In addition to the environmental requirements of the MPRDA the principles as set out in section 2 of the Environmental Management Act 1998 apply to all prospecting and mining operations, as the case may be, and any matter relating to such operation.

In terms of the environmental regulations to the MPRDA the Company and Maseve as the holders of prospecting rights must:

- As part of the general terms and conditions for a prospecting right and in order to ensure compliance with the Environmental Management Programme or Environmental Management Plan and to assess the continued appropriateness and adequacy of the Environmental Management Programme and the Environmental Management Plan, the holder of a prospecting right must;

    - Ø Conduct monitoring on a continuous basis.
    - Ø Conduct the performance assessments of the Environmental Management Plan or Environmental Programme as required.
    - Ø Compile and submit a performance assessment report to the Minister in which compliance is demonstrated.

Regular site inspections are conducted on the Company's and Maseve's prospecting activities and the aim of these site inspections are:

- Ø To determine the compliance with all legislation pertaining to the environment.
- Ø Advice on environmental management measures to be undertaken during the prospecting phase.
- Ø Site rehabilitation monitoring.

In August 2010 independent compliance inspections were conducted over each prospecting site of the Company and Maseve.

The purpose of an Environmental Compliance Report is to indicate the state of the prospecting when measured against the commitments of the Environmental Management Plan. This Environmental Compliance Report is required in terms of the environmental regulations to the MPRDA.

It was reported that all of the drilling sites and the immediate areas that were affected by prospecting had adequately complied with commitments as recorded in the Environmental Management Programmes. It was further reported that all rehabilitation of prospecting boreholes and related infrastructure was completed and that no further rehabilitation is necessary.

Independent Rehabilitation certificates were issued for each borehole and are on record at the site offices.

Subsequent to the compliance inspection an Environmental Compliance Report was issued on August 31, 2010 for each of the Company and Maseve's prospecting right's and duly lodged with the respective Regional Manager's offices Mineral Development at the Department of Mineral Resources.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

South Africa has a large and well-developed mining industry in the area where the WBJV Project is located. This, among other factors, means that the infrastructure in the area is well established, with well-maintained roads and highways as well as electricity distribution networks and telephone systems.

The project area is located on the southwestern limb of the BIC, some 35km northwest of the North West Province town of Rustenburg. The town of Boshoek is situated 10km to the south along the tar road that links Rustenburg with Sun City and crosses the project area. The project area adjoins the Anglo Platinum-managed BRPM to the southeast. A railway line linking BRPM to the national network passes the project area immediately to the east with a railway siding at Boshoek. Projects 1 and 3 are readily accessible from Johannesburg by traveling 120km northwest on Regional Road 24 to the town of Rustenburg and then a further 35km. Both BRPM to the south of the project area and Styldrift, a joint venture between the Royal Bafokeng Nation and Anglo Platinum, which lies directly to the east of the property, have modern access roads and services. Numerous gravel roads crossing the properties provide easy access to all portions.

The major population centre is the town of Rustenburg, about 35km to the southeast of the project. Pretoria lies approximately 100km to the east and Johannesburg about 120km to the southeast. A popular and unusually large hotel and entertainment centre, Sun City, lies about 10km to the north of the project area. The Sundown Ranch Hotel (the Company now has acquired the right to purchase this property) lies in close proximity to the project area and offers rooms and chalets as accommodation. The properties fall under the jurisdiction of the Moses Kotane Municipality. A paved provincial road crosses the property. Access across most of the property can be achieved by truck without the need for significant road building.

With low rainfall (the area is considered semi arid with an annual rainfall of 520mm) and high summer temperatures, the area is typical of the Highveld Climatic Zone. The climate of the area does not hinder the operating season and exploration can continue all year long.

All project areas are close to major towns and informal settlements as a potential source of labour with paved roads being the norm. Power lines (400kv) cross both project areas and water is, as a rule, drawn from boreholes. As several platinum mines are located adjacent to and within 50km of the property, there is excellent access to materials and skilled labour. One of the smelter complexes of Anglo Platinum is located within 60km of the property.

Surface rights to the 365 ha Farm Elandsfontein were purchased by the Company in 2005 and were held until April 22, 2010 for the benefit of its joint venture partners. This property is now held by the Company alone and may be of some future use for potential operations. A further 575 ha of surface rights have been purchased to August 31, 2010 by the Company alone. The Company has acquired the right to purchase the 1,713 ha Sundown Ranch property. These surface rights are intended for purposes of tailings placements, surface infrastructure, location of shaft infrastructure, mill facilities and concentrator facilities and waste sites.

Topographically, the project area is located on a central plateau characterized by extensive savannah with vegetation consisting of grasses and shrubs with a few trees. The total elevation relief is greater as prominent hills occur in the northern most portions, but variations in topographical relief are minor and limited to low, gently sloped hills. On Project Area 1, elevations range from 1,080 metres above mean sea level ("AMSL") towards the Elands River in the north to 1,156m AMSL towards the farm Onderstepoort in the southwest, with an average of 1,100 AMSL. The section of the Koedoesfontein property covered by the Project 3 Area gently dips in a north-easterly direction toward a tributary of the Elands River. On Project 3 Area, elevations range from 1,060m AMSL towards the Sandspruit River in the north to 1100m AMSL towards the south eastern corner of the property.

History

Elandsfontein (PTM-RSA), *Onderstepoort (Portions 4, 5 and 6)* , *Onderstepoort (Portions 3 and 8)* and *Onderstepoort (Portions 14 and 15)* were all privately owned. Previous work done on these properties has not been fully researched and is largely unpublished. Such academic work as has been done by the Council for Geoscience (government agency) is generally not of an economic nature. PTM-RSA acquired these rights and then contributed them to the WBJV in 2004.

Elandsfontein (RPM), *Frischgewaagd, Onderstepoort (RPM)* and *Koedoesfontein* have generally been in the hands of major mining groups resident in the Republic of South Africa. Portions of Frischgewaagd previously held by Impala Platinum Mines Limited were acquired by Johannesburg Consolidated Investment Company Limited, which in turn has since been acquired by Anglo Platinum through RPM. RPM contributed these rights into the WBJV in 2004.

Previous geological exploration and resource estimation assessments were done by Anglo Platinum as the original owner of some of the mineral rights. Anglo Platinum managed the exploration drilling programme for the Elandsfontein and Frischgewaagd borehole series in the area of interest on Project Area 1, and for the Koedoesfontein borehole series in the area of interest on Project Area 3. Geological and sampling logs and an assay database are available.

Prior to the establishment of the WBJV and commencement of drilling for the Pre-feasibility study, PTM-RSA had drilled 36 boreholes on the Elandsfontein property, of which the geological and sampling logs and assay databases are available.

Existing gravity and ground magnetic survey data were helpful in the interpretation of the regional and local geological setting of the reefs. A distinct increase in gravity values occurs from the southwest to the northwest, most probably reflecting the thickening of the Bushveld sequence in that direction. Low gravity trends in a southeastern to northwestern direction. The magnetic survey reflects the magnetite-rich Main Zone and some fault displacements and late-stage intrusives in the area.

Previous drilling on the Project 3 area conducted by Anglo Platinum consisted of three boreholes (KD1, KD2 and KD3). Boreholes KD1 and KD3 were drilled beyond the Merensky Reef and UG2 CL subcrop, and terminated in sediments of the Transvaal Supergroup. Drilling of borehole KD2 was stopped short of the Merensky Reef subcrop.

There has been no previous production from any of the WBJV properties.

Geological Setting

Regional Geology of the BIC

The stable Kaapvaal and Zimbabwe Cratons in southern Africa are characterised by the presence of large mafic-ultramafic layered complexes. These include the Great Dyke of Zimbabwe, the Molopo Farms Complex in Botswana and the well-known BIC.

The BIC was intruded about 2,060 million years ago into rocks of the Transvaal Supergroup along an unconformity between the Magaliesberg quartzites (Pretoria Group) and the overlying Rooiberg felsites (a dominantly felsic volcanic precursor). The BIC is by far the most economically important of these deposits as well as the largest in terms of preserved lateral extent, covering an area of over 66,000km^2. It has a maximum thickness of 8km, and is matched in size only by the Windimurra intrusion in Western Australia and the Stillwater intrusion in the USA (Cawthorn, 1996). The mafic component of the Complex hosts layers rich in PGEs, nickel, copper, chromium and vanadium. The BIC is reported to contain about 75% and 50% of the world's platinum and palladium resources respectively (Vermaak, 1995). The mafic component of the BIC is subdivided into several generally arcuate segments/limbs, each associated with a pronounced gr avity anomaly. These include the western, eastern, northern/Potgietersrus, far western/Nietverdient and southeastern/Bethal limbs.

Local Geology

Projects 1 and 3 are underlain by the lower portion of the RLS, the Critical Zone and the lower portion of the Main Zone. The ultramafic Lower Critical Zone and the Mafic Upper Critical Zone and the Main Zone weather to dark, black clays with very little topography. The underlying Transvaal Supergroup comprises shale and quartzite of the Magaliesberg Formation, which creates a more undulating topography. Gravity, magnetic, LANDSAT, aerial photography and geochemistry have been used to map out lithological units.

In parts of the project area the MR outcrops, as does the UG2 Reef, beneath a relatively thick (2-5m) overburden of red Hutton to darker Swartland soil forms. The sequence strikes northwest to southeast and dips between 4° and 42° with an average of 14° in the Project 1 and 1A areas, and with an average dip of ~10° in the Project 3 area. The top 32m of rock formation below the soil column is characterized by a highly weathered rock profile (regolith) consisting mostly of gabbro within the Main Zone. Thicknesses of this profile increase near intrusive dykes traversing the area.

Stratigraphy

The RLS intruded into the rocks of the Transvaal Supergroup, largely along an unconformity between the Magaliesberg quartzite of the Pretoria Group and the overlying Rooiberg felsites, which is a dominantly felsic volcanic formation. The mafic rocks of the RLS are subdivided into the following five zones:

- *Marginal Zone* comprising finer-grained gabbroic rocks with abundant country-rock fragments.
- *Lower Zone* – the overlying Lower Zone is dominated by darker, more iron and magnesium bearing rocks (orthopyroxenite with associated olivine-rich cumulates (harzburgite, dunite)).
- *Critical Zone* – its commencement is marked by first appearance of well-defined cumulus chromitite layers. Seven Lower Group chromitite layers have been identified within the lower Critical Zone. Two further chromitite layers – Middle Group ("MG") – mark the top of the lower Critical Zone. From this stratigraphic position upwards, plagioclase becomes the dominant cumulus phase and lighter coloured (noritic) rocks predominate. The MG3 and MG4 chromitite layers occur at the base of the upper Critical Zone, which is characterised from here upwards by a number of cyclical units. The cycles commence in general with narrow, darker (pyroxenitic) horizons (with or without olivine and chromitite layers); these invariably pass up into norites, which in turn pass into near white layers (leuconorites and anorthosites). The UG1 – first of the t wo Upper Group chromitite layers – is a cyclical unit consisting of chromitite layers with overlying footwall units that are supported by an underlying anorthosite. The overlying UG2 chromitite layer is of considerable importance because of its economic concentrations of PGEs. The two uppermost cycles of the Critical Zone include the Merensky and Bastard cycles. The Merensky Reef is found at the base of the Merensky cycle, which consists of a pyroxenite and pegmatoidal feldspathic pyroxenite assemblage with associated thin chromitite layers that rarely exceed one metre in thickness. The top contact of the Critical Zone is defined by a giant mottled anorthosite that forms the top of the Bastard cyclic unit.
- *Main Zone* – consists of norites grading upwards into gabbronorites. It includes several distinctive mottled anorthosite units towards the base and a distinctive pyroxenite, the Pyroxenite Marker, two thirds of the way up. This marker-unit does not occur in the project area, but is evident in the adjacent BRPM. The middle to upper part of the Main Zone is very resistant to erosion and gives rise to distinctive hills, which are currently being mined for dimension stone (black granite).
- *Upper Zone* – the base is defined by the appearance of cumulus magnetite above the Pyroxenite Marker. The Upper Zone is divided into Subzone A at the base; Subzone B, where cumulus iron-rich olivine appears; and Subzone C, where apatite appears as an additional cumulus phase.

Local Geological Setting –Western Bushveld Limb

Exposures of the BIC located on the western limb include the stratigraphic units of the RLS. The local geology includes the classic layered sequence of the RLS and the footwall rocks of the Transvaal Supergroup. The Merensky Reef is believed to be present within much of this lobe. The position of the Merensky Reef is fairly closely defined by seismic reflectors associated with the cyclic units of the upper Critical Zone.

The sequence of the BIC within the project area is confined to the lower part of the Main Zone (Porphyritic Gabbro Marker) and the Critical Zone (HW5–1 and Bastard Reef to UG1 footwall sequence). The rock sequence thins towards the southwest (subcrop) including the marker horizons with concomitant middling of the economic reefs or total elimination thereof. The UG2 Reef and, more often, the UG1 Reef are not developed in some areas owing to the irregular and elevated palaeo-floor of the Transvaal sediments.

Reefs

The MR is a well developed seam along the central part and towards the north eastern boundary of the Project 1 area. Islands of thin reef and relatively low-level mineralization are present. The better-developed reef package, in which the intensity of chromitite is generally combined with pegmatoidal feldspathic pyroxenite development, occurs as larger island domains along a wide central strip in a north south orientation from subcrop to deeper portions. The Merensky Reef structure at the Project 3 Area has not been interpreted to date.

The UG2 reef is well developed towards the northeast of the project area, but deteriorates towards the southwest. Within the latter area, the reef is present as a thin discontinuous or disrupted chromitite/pyroxenite layer. It also appears to be disrupted by the shear zone along the footwall alteration zone. Towards the northwest on Frischgewaagd, the reef is generally well developed and occurs as a single prominent chromitite layer varying in thickness from a few centimetres to ~2m.

The thickness of the sequences between the UG2 and MR in the Project 1 and 1A areas increases from ~10m to 80m in a southwest-northeast direction. A similar situation exists in the north of the project area but with the thickness between the reefs ranging from 6m to 25m at depths of 200m below surface. In general, the thickness between the reefs appears to increase in a northeasterly direction, sub-parallel to the strike of the BIC layered lithologies.

Local Structural Model

Floor rocks in the southwestern BIC display increasingly varied degrees of deformation towards the contact with the RLS. Structure within the floor rocks is dominated by the north-northwest trending post-Bushveld Rustenburg Fault. This normal fault with down-throw to the east extends northwards towards the west of the Pilanesberg Alkaline Complex. A second set of smaller faults and joints, striking 70° and dipping very steeply south-southeast or north-northwest, are related to the Rustenburg fault system. These structures were reactivated during the intrusion of the Pilanesberg Alkaline Complex. Dykes associated with this Complex intruded along these faults and joints.

Major structures, which occur within the project area, include the Caldera and Elands faults and Chaneng Dyke and a major north-south trending feature, which can be observed across the entire Pilanesberg Complex. These east-west trending structures dip steeply (between 80° and 90°). The magnetics indicate that the Chaneng Dyke dips steeply to the north. This is consistent with similar structures intersected underground on the neighbouring Bafokeng Rasimone Platinum Mine, which all dip steeply northward.

Two stages of folding have been recognized within the area. The earliest folds are mainly confined to the Magaliesberg Quartzite Formation. The fold axes are parallel to the contact between the RLS and the Magaliesberg Formation. Quartzite xenoliths present close to the contact with the RLS and the sedimentary floor. Examples of folding within the floor rocks are the Boekenhoutfontein, Rietvlei and Olifantsnek anticlines. The folding was initiated by compressional stresses generated by isostatic subsidence of the Transvaal Supergroup during sedimentation and the emplacement of the pre-Bushveld sills. The presence of an undulating contact between the floor rocks and the RLS, and in this instance the resultant formation of large-scale folds, substantiates a second stage of deformation. The fold axes trend at approximately orthogonal angles to the first folding event. Deformation during emplacement of the BIC was largely ductile and led to the formation of basins by sagging and folding of the floor rocks. This exerted a strong influence on the subsequent evolution of the Lower and Critical Zones and associated chromitite layers.

The structural events that influenced the floor rocks played a major role during emplacement of the BIC. There is a distinct thinning of rocks from east to west as the BIC onlaps onto the Transvaal floor rocks, even to the extent that some of the normal stratigraphic units have been eliminated. The Merensky and UG2 isopach decreases from 60m to 2m at outcrop position.

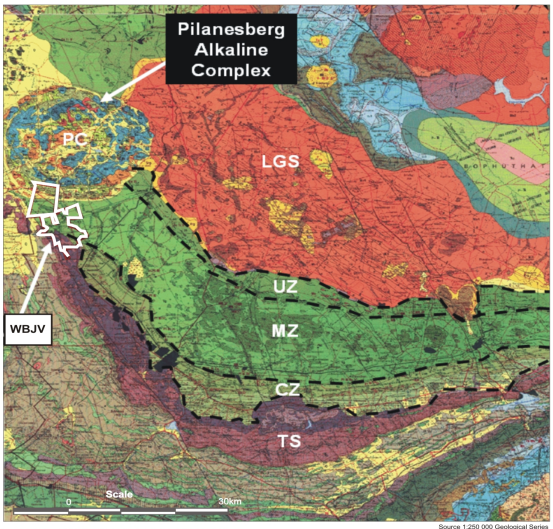
A structural model was developed from data provided by the magnetic survey results and geological logs of drilled cores. At least three generations of faults were identified on the property.

The oldest event appears to be associated with dykes and sills trending at 305 degrees and is of post-BIC age. It appears to be the most prominent, with the largest displacement component of more than 20m. The majority of the faults are normal faults dipping in a westerly direction, decreasing in their dip downwards and displaying typical listric fault system behaviour.

A second phase represented by younger fault features is trending in two directions at 345 degrees and 315 degrees northwards respectively and appears to have consistent down-throws towards the west.

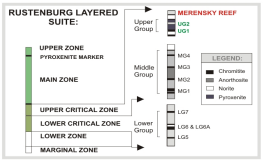
A third phase of deformation may be related to a regional east-west-striking dyke system causing discontinuity on adjacent structures. Several dolerite intrusives, mainly steep-dipping dykes and bedding-parallel sills, were intersected in boreholes. These range in thickness from 0.5–30m and most appear to be of a chilled nature; some are associated with faulted contacts. Evident on the magnetic image is an east-west-trending dyke, which was intersected in borehole WBJV005 and appears to be of Pilanesberg-intrusion age. This dyke has a buffer effect on structural continuity as faulting and earlier stage intrusives are difficult to correlate on either side; and more work is required to understand the mechanics.

Platinum Group Metals
Location of the WBJV in the Western Limb of the Bushveld Igneous Compex



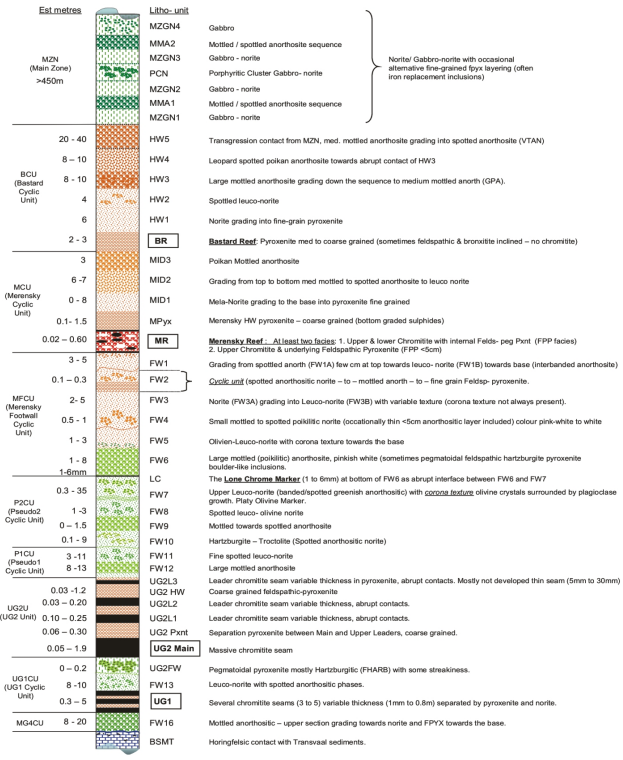
Source 1:250 000 Geological Series





Minxcon

Platinum Group Metals
Detailed Stratigraphy of the Western Bushveld Sequence



Exploration

PTM-RSA is the operator of Projects 1 and 3 and PTM-RSA personnel have conducted or supervised the work described below. Third party contractors are used to conduct specific components of the work, such as drilling contractors or geophysical contractors, for example, but they remain under the direction of PTM-RSA.

Project Area 1

Under the terms of the Consolidation Transaction the Company has a right to acquire a 74% interest in Project 1. Details of Reserves and Resources are reported below under "Project 1 – Mineral Resource and Mineral Reserve Estimates".

Fieldwork in the form of soil sampling and surface mapping was initially done on the farm Onderstepoort, where various aspects of the lower Critical Zone, intrusive ultramafic bodies and structural features were identified. Efforts were later extended southwards to the farms Frischgewaagd and Elandsfontein. The above work contributed directly to the economic feasibility of the overall project, directing the main focus in the project area towards delineation of the subcrop position of the actual Merensky and UG2 economic reef horizons.

Prior to the establishment of the WBJV and commencement of drilling for the Pre-Feasibility Study, PTM-RSA had drilled 36 boreholes on the Elandsfontein property, of which the geological and sampling logs and assay databases are available.

Geophysical information obtained from Anglo Platinum was very useful during the identification and extrapolation of major structural features as well as the lithological layering of the BIC.

Ground gravity measurements of 120.2 km have been completed on 500 metre line spacing perpendicular to the strike across the deposit, together with 65.5 km of ground magnetic survey. The ground gravity data played a significant role in determining the hinge line where the BIC rocks start thickening down-dip, and this raised the possibility of more economic mineralization. At the same time, the data shows where the Transvaal footwall causes the abutment or onlapping of the BIC rocks. Ground magnetic data helped to highlight faults and dykes as well as to delineate iron replacement ultramafic pegmatoids.

An aeromagnetic survey was flown for Anglo Platinum by Fugro Airborne using a Midas Heli-borne magnetic gradiometer system. A total of 25,324 line kilometres were flown on lines with a direction of 55° (true north) and with a sensor at a nominal elevation of 20 metres. The area covered by the survey was some four times larger than the WBJV area, which was situated in the north western quadrant of the surveyed area. The high resolution survey data was of a very high quality. The aeromagnetic data alone made it possible to delineate magnetic units in the Main Zone, to recognise the strata strike and to identify the dykes and iron-replacements.

Previous geological exploration and resource estimation assessments were done by Anglo Platinum as the original owner of some of the mineral rights. Anglo Platinum managed the exploration drilling programme for the Elandsfontein and Frischgewaagd borehole series in the area of interest. Geological and sampling logs and an assay database are available.

The type of drilling being conducted on Project 1 is a diamond-drilling core-recovery technique involving a BQ-size solid core extraction. The drilling is placed on an unbiased 500m x 500m grid and detailed when necessary to a 250m x 250m grid. The grid has been extended for 4.5km along strike to include the whole of the Project 1 and 1A area. To date, 240 boreholes have been drilled by the company on Project Area 1 and 30 boreholes have been drilled on Project 1A.

Up to the date of the Updated Feasibility Study, a total of 139,451m has been drilled by PTM-RSA on the Project 1 and 1A area, and altogether 27,242 filed samples have been submitted for assaying along with 2,446 standards and 2,372 blanks.

The purpose of future drilling programs will be to test for additional resource ounces, to upgrade known resources into higher levels of confidence and to further assess geological structures in the areas of known resources. At the time of writing additional drilling is underway on the up-dip edge of the deposit area.

Project Area 3

Exploration to date for the Project 3 Area has included geophysical surveys (magnetic, gravity, 3D seismics and aerial magnetic), drilling, assaying and structural interpretation and analysis. Drilling on the project area has ceased at present, but is planned to be recommenced at a future time. An updated resource was declared for Project 3 on September 30, 2010 (See press release of same date and below). Under the terms of the Consolidation Transaction completed on April 22, 2010 the Company has a right to acquire a 74% interest in Project 3.

To the date of the most recent resource update for Project 3, a total of 42 boreholes were drilled by PTM-RSA on the Project 3 Area. Three deflections were drilled for boreholes which intersected the Merensky Reef or UG2 CL, and all of these deflections were assayed. A total of 25,911m has been drilled across Project 3 and altogether 6,062 samples have been submitted for assaying from that project, including 590 standards and 577 blanks.

The purpose of future exploration programs will be to test for additional resource ounces and to upgrade known resources into higher levels of confidence and to further assess geological structures in the areas of known resources.

Mineralization

Exposures of the BIC located on the western limb include the stratigraphic units of the RLS. The sequence comprises mostly gabbros, norites, anorthosites and pyroxenites. The potential economic horizons in the Project 1 and 3 Areas are the Merensky Reef and UG2 CL situated in the Critical Zone of the RLS of the BIC; these horizons are known for their continuity. The Merensky Reef in Project Area 1 is the main exploration target; the UG2 CL has lesser economic potential and will be exploited after the Merensky Reef during a later stage of the proposed mine life. The Merensky Reef is generally associated with a 0.1-1.2m-thick pegmatoidal feldspathic pyroxenite unit and is also generally associated with thin chromitite layers on either/both the top and bottom contacts of the reef. The UG2 chromitite layer occurs sequentially below the Merensky Reef and is on average 1.50m thick.

The Merensky and UG2 Reefs are mined at the BRPM adjoining the property as well as on other contiguous platinum-mine properties. In general, the layered package dips at less than 20 degrees to the northeast and local variations in the reef attitude have been modelled. The Merensky and UG2 reefs, in Project Area 1, dip between 4 and 42 degrees, with an average dip of 14 degrees, and in the Project 3 Area, dip at approximately 10 degrees.

Drilling

The type of drilling being conducted on Projects 1 and 3 is a diamond-drilling core-recovery technique involving a BQ-size solid core extraction. The drilling is placed on an unbiased 500m x 500m grid and detailed when necessary to a 250m x 250m grid. The grid has been extended for 4.5km along strike to include the whole of the Project 1 and 1A area. To date, 240 boreholes have been drilled by the company on Project Area 1 and 30 boreholes have been drilled on Project 1A.

To the date of the last resource update for Project 3, a total of 42 boreholes were drilled by PTM-RSA on the Project 3 Area. Three deflections were drilled for boreholes which intersected the Merensky Reef or UG2 CL, and all of these deflections were assayed.

The results of the drilling and the general geological interpretation are digitally captured in SABLE (acommercially available logging software) and in a GIS software package named ARCVIEW. The exact borehole locations, together with the results of the economic evaluation, are plotted on plan. From the geographic location of the holes drilled, regularly spaced sections are drawn by hand and digitised. This information was useful for interpreting the sequence of the stratigraphy intersected as well as for verifying the borehole information.

The structural features identified from aeromagnetic data were interpreted in terms of a regional structural model. Major dyke features were easily recognised and these assisted in the compilation of a structural model for the project area. Exploration drilling later helped to identify a prominent east-west-trending linear feature as a south dipping dyke. This dyke occurs along the northern boundary of the project area. A second dyke occurs along the north-eastern boundary of the Elandsfontein and Frischewaagd areas. Other major structural features include potential faults oriented at 345 degrees north in the deep environment of the Frischewaagd south area.

The geometry of the deposit has been clearly defined in the sections drawn through the property. With the exception of three inclined boreholes, all holes were drilled vertically (minus 90 degrees) and the down hole surveys indicate very little deviation. A three-dimensional surface – digital terrain model (DTM) – was created and used in the calculation of the average dip of 14 degrees (10 degrees for Project 3). This dip has been factored into the calculations on which resource estimates are based.

Sampling and Analysis

Drilled core is cleaned, de-greased and packed into metal core boxes by the drilling company. The core is collected from the drilling site on a daily basis by a Company geologist and transported to the exploration office by Company personnel. Before the core is taken off the drilling site, the depths are checked and entered on a daily drilling report, which is then signed off by the Company. The core yard manager is responsible for checking all drilled core pieces and recording the following information:

- Drillers' depth markers (discrepancies are recorded).
- Fitment and marking of core pieces.
- Core losses and core gains.
- Grinding of core.
- One-meter-interval markings on core for sample referencing.
- Re-checking of depth markings for accuracy.

Core logging is done by hand on a Company pro-forma sheet by qualified geologists under supervision of the project geologist, who is responsible for timely delivery of the samples to the relevant laboratory. The supervising and project geologists ensure that samples are transported by Company contractors.

Sample Method, Location, Number, Type and Size of Sampling

The first step in the sampling of the diamond-drilled core is to mark the core from the distance below collar in 1m units and then for major stratigraphic units. Once the stratigraphic units are identified, the economic units – Merensky Reef and UG2 Chromitite seam – are marked. The top and bottom contacts of the reefs are clearly marked on the core. Thereafter the core is rotated in such a manner that all lineations pertaining to stratification are aligned to produce a representative split. A centre cut line is then drawn lengthways for cutting. After cutting, the material is replaced in the core trays. The sample intervals are then marked as a line and a distance from collar.

The sample intervals are typically 15–25cm in length. In areas where no economic zones are expected, the sampling interval could be as much as a metre. The sample intervals are allocated a sampling number, and this is written on the core for reference purposes. The half-core is then removed and placed into high-quality plastic bags together with a sampling tag containing the sampling number, which is entered onto a sample sheet. The start and end depths are marked on the core with a corresponding line. The duplicate tag stays as a permanent record in the sample booklet, which is secured on site. The responsible project geologist then seals the sampling bag. The sampling information is recorded on a specially designed sampling sheet that facilitates digital capture into the SABLE system. The sampling extends for about a metre into the hanging wall and footwall of the economic reefs.

Up to the date of the Updated Feasibility Study, a total of 139,451m has been drilled by PTM-RSA on the Project 1 and 1A area (up to WBJV 241), and altogether 27,202 filed samples have been submitted for assaying along with 1.446 standards and 2,372 blanks. A total of 25,911m has been drilled by PTM-RSA across Project 3 and altogether 6,062 samples have been submitted for assaying from that project, including 590 standards and 577 blanks.

Drilling Recovery

All reef intersections that are sampled required a 100% core recovery. If less than 100% is recovered, the drilling company will re-drill, using a wedge to achieve the desired recovery.

Sample Quality and Sample Bias

The sampling methodology accords with the Platinum Group protocol based on industry-accepted best practice. The quality of the sampling is monitored and supervised by a qualified geologist. The sampling is done in a manner that includes the entire economic unit together with hanging wall and footwall sampling. Sampling over-selection and sampling bias is eliminated by rotating the core so that the stratification is vertical and by inserting a cutline down the centre of the core and removing one side of the core only.

Width of Mineralized Zones - Resource Cuts

The methodology in determining the resource cuts is derived from the core intersections. Generally, the economic reefs are about 60cm thick. For both the Merensky Reef and UG2 Reef, the marker unit is the bottom reef contact, which is a chromite contact of less than a centimetre. The cut is taken from that chromite contact and extended vertically to accommodate most of the metal content. If this should result in a resource cut less than 80cm up from the bottom reef contact, it is extended further to 80cm. If the resource cut is thicker than the proposed 80cm, the last significant reported sample value above 80cm is added to determine the top reef contact.

In the case of the UG2 Reef, the triplets (if and where developed and within 30cm from the top contact) are included in the resource cut.

Sample Preparation, Laboratory Standards and Procedures

When samples are prepared for shipment to the analytical facility the following steps are followed:

- Samples are sequenced within the secure storage area and the sample sequences examined to determine if any samples are out of order or missing.
- The sample sequences and numbers shipped are recorded both on the chain-of-custody form and on the analytical request form.
- The samples are placed according to sequence into large plastic bags. (The numbers of the samples are enclosed on the outside of the bag with the shipment, waybill or order number and the number of bags included in the shipment).
- The chain-of-custody form and analytical request sheet are completed, signed and dated by the project geologist before the samples are removed from secured storage. The project geologist keeps copies of the analytical request form and the chain-of-custody form on site.
- Once the above is completed and the sample shipping bags are sealed, the samples may be removed from the secured area. The method by which the sample shipment bags have been secured must be recorded on the chain-of-custody document so that the recipient can inspect for tampering of the shipment.

The laboratories that have been used to date are Anglo American Analytical Laboratories, Genalysis (Perth, Western Australia), ALS Chemex (South Africa), and (currently) Set Point Laboratories (South Africa). Dr. B. Smee, a geochemist and a director of the Company, has accredited Set Point Laboratories.

Samples are received, sorted, verified and checked for moisture and dried if necessary. Each sample is weighed and the results are recorded. Rocks, rock chips or lumps are crushed using a jaw crusher to less than 10mm. The samples are then milled for 5 minutes in a Labtech Essa LM2 mill to achieve a fineness of 90% less than 106µm, which is the minimum requirement to ensure the best accuracy and precision during analysis.

Samples are analyzed for Pt (ppb), Pd (ppb), Rh (ppb) and Au (ppb) by standard 25g lead fire-assay using silver as requested by a co-collector to facilitate easier handling of prills as well as to minimize losses during the cupellation process. Although collection of three elements (Pt, Pd and Au) is enhanced by this technique, the contrary is true for rhodium (Rh), which volatilizes in the presence of silver during cupellation. Palladium is used as the co-collector for Rh analysis. The resulting prills are dissolved with aqua regia for Inductively Coupled Plasma (“ICP”) analysis.

After pre-concentration by fire assay and microwave dissolution, the resulting solutions are analyzed for Au and PGM’s by the technique of ICP-OES (inductively coupled plasma–optical emission spectrometry).

Quality Assurance and Quality Control (QA&QC) Procedures and Results

The Company protocols for quality control are as follows:

1. The project geologist oversees the sampling process.
2. The core yard manager oversees the core quality control.
3. The exploration geologists and the sample technicians are responsible for the actual sampling process.
4. The project geologist oversees the chain of custody.
5. The internal QP verifies both processes and receives the laboratory data.
6. The internal resource geologist and the database manager merge the data and produce the SABLE sampling log with assay values.
7. Together with the project geologist, the resource geologist determines the initial mining cut.
8. The external auditor verifies the sampling process and signs off on the mining cut.
9. The second external database auditor verifies the SABLE database and highlights QA&QC failures.
10. A Company technician runs the QA&QC graphs (standards, blanks and duplicates) and reports anomalies and failures to the internal QP.
11. The internal QP requests re-assay.
12. Check samples are sent to a second laboratory to verify the validity of data received from the first laboratory.

Standards

Analytical standards are used to assess the accuracy and possible bias of assay values for Platinum (Pt) and Palladium (Pd). Rhodium (Rh) and Gold (Au) were monitored where data for the standards were available, but standards were not failed on Rh and Au alone.

Assay testing refers to Round Robin programs that comprise collection and preparation of material of varying matrices and grades to provide homogeneous material for developing reference materials (standards) necessary for monitoring assaying. Assay testing is also useful in ensuring that analytical methods are matched to the mineralogical characteristics of the mineralization being explored. Samples are sent to a sufficient number of international testing laboratories to provide enough assay data to statistically determine a representative mean value and standard deviation necessary for setting acceptance/rejection tolerance limits.

Tolerance limits are set at two and three standard deviations from the Round Robin mean value of the reference material: a single analytical batch is rejected for accuracy when reference material assays are beyond three standard deviations from the certified mean, and any two consecutive standards within the same batch are rejected on the basis of bias when both reference material assays are beyond two standard deviations limit on the same side of the mean.

Blanks

The insertion of blanks provides an important check on the laboratory practices, especially potential contamination or sample sequence mis-ordering. Blanks consist of a selection of Transvaal Quartzite pieces (devoid of platinum, palladium, copper and nickel mineralization) of a mass similar to that of a normal core sample. The blank being used is always noted to track its behaviour and trace metal content. Typically the first blank is sample 5 in a given sampling sequence.

Duplicates

The purpose of having field duplicates is to provide a check on possible sample over-selection. The field duplicate contains all levels of error – core or reverse-circulation cutting splitting, sample size reduction in the prep lab, sub-sampling at the pulp, and analytical error.

Field duplicates were, however, not used on this project by very significant reason of the assemblage of the core. Firstly, BQ core has an outer diameter of only 36.5mm. Secondly, it is friable and brittle due to the chrome content making it extremely difficult to quarter the core. It usually ends up in broken pieces and not a solid piece of core.

Due to this problem, the laboratory was asked to regularly assay split pulp samples as a duplicate sample to monitor analytical precision.

Assay Validation

Although samples are assayed with reference materials, an assay validation program is being conducted to ensure that assays are repeatable within statistical limits for the styles of mineralization being investigated. It should be noted that validation is different from verification; the latter implies 100% repeatability. The validation program consists of the following:

- a re-assay program conducted on standards that "failed" the tolerance limits set at two and three standard deviations from the Round Robin mean value of the reference material;
- ongoing blind pulp duplicate assays at Set Point Laboratory;
- check assays conducted at an independent assaying facility (Genalysis).

Re-assay

This procedure entailed the following: the failed standard (2) together with standard (1) submitted before and standard (3) submitted after the particular failed standard (2), as well as all submitted field samples (pulps) in between standard (1) and standard (3) were resubmitted for re-assaying.

Sampling Procedures

The QA&QC practice of the Company is a process beginning with the actual placement of the borehole position (on the grid) and continuing through to the decision for the 3D economic intersection to be included in (passed into) the database. The values are also confirmed, as well as the correctness of correlation of reef/resource cut so that populations used in the geostatistical modeling are not mixed; this makes for a high degree of reliability in estimates of resources/reserves.

Quality control measures and data verification

All scientific information is manually captured and digitally recorded. The information derived from the core logging is manually recorded on A4-size logging sheets. After being captured manually, the data is electronically captured in a digital logging program (SABLE). For this exercise, the program has very specific requirements and standards. Should the entered data not be in the set format the information is rejected. This is the first stage of the verification process.

After the information is transferred into SABLE, the same information is transferred into a modeling package (DATAMINE). Modeling packages are rigorous in their rejection of conflicting data, e.g. the input is aborted if there are any overlaps in distances or inconsistencies in stratigraphic or economic horizon nomenclature. This is the second stage of verification.

Once these stages of digital data verification are complete, a third stage is generated in the form of section construction and continuity through DATAMINE. The lateral continuity and the packages of hanging wall and footwall stratigraphic units must align or be in a format consistent with the general geometry. If this is not the case, the information is again aborted.

The final stage of verification is of a geostatistical nature, where population distributions, variance and spatial relationships are considered. Anomalies in grade, thickness, and isopach or isocon trends are noted and questioned. Should inconsistencies and varying trends be un-explainable, the base data is again interrogated, and the process is repeated until a suitable explanation is obtained.

Security of Samples

Samples are not removed from secured storage location without completion of a chain-of-custody document; this forms part of a continuous tracking system for the movement of the samples and persons responsible for their security. Ultimate responsibility for the secure and timely delivery of the samples to the chosen analytical facility rests with the project geologist and samples are not transported in any manner without the project geologist's permission.

During the process of transportation between the project site and analytical facility the samples are inspected and signed for by each individual or company handling the samples. It is the mandate of both the supervising and project geologist to ensure secure transportation of the samples to the analytical facility. The original chain-of-custody document always accompanies the samples to their final destination.

The supervising geologist ensures that the analytical facility is aware of the Company standards and requirements. It is the responsibility of the analytical facility to inspect for evidence of possible contamination of, or tampering with, the shipment received from the Company. A photocopy of the chain-of-custody document, signed and dated by an official of the analytical facility, is faxed to the Company's offices in Johannesburg upon receipt of the samples by the analytical facility and the original signed letter is returned to the Company along with the signed analytical certificate(s).

The analytical facility's instructions are that if they suspect the sample shipment has been tampered with, they will immediately contact the supervising geologist, who will arrange for someone in the employment of the Company to examine the sample shipment and confirm its integrity prior to the start of the analytical process.

If, upon inspection, the supervising geologist has any concerns whatsoever that the sample shipment may have been tampered with or otherwise compromised, the responsible geologist will immediately notify the Company management in writing and will decide, with the input of management, how to proceed. In most cases analysis may still be completed although the data must be treated, until proven otherwise, as suspect and unsuitable as a basis for a news release until additional sampling, quality control checks and examination prove their validity.

Should there be evidence or suspicions of tampering or contamination of the sampling, the Company will immediately undertake a security review of the entire operating procedure. The investigation will be conducted by an independent third party, whose report is to be delivered directly and solely to the directors of the Company, for their consideration and drafting of an action plan. All in-country exploration activities will be suspended until this review is complete and the findings have been conveyed to the directors of the company and acted upon.

Project 1 and Project 3 Mineral Resources and Reserves - (MR- Merensky Reef; UG2- Upper Group 2 Reef)

The Company provided a statement of reserves for Project 1 in the Updated Feasibility Study and an updated statement of resources for Project 1 in separate NI 43-101 technical report (the "Project 1 Report") in October 2009. An update NI 43-101 technical report was published for Project 3 in October 2010 (the "Project 3 Report"). Summary resource and reserve details follow in the table below. The table contains summary details from the Updated Feasibility Study and the Project 1 Report in respect of Project 1, and summary resource details from the Project 3 Report. Assuming the Company fully exercises the Maseve Subscription Right, Platinum will acquire a 74% interest in the platinum, palladium, rhodium and gold (collectively referred to as "4E") ounces attributable to Project 1 and Project 3. The prill splits and 4E estimates for Project 1 and Project 3 have been tested for re asonableness by kriging on the individual elements. Copper and nickel as well as the minor platinum group elements have also been estimated with a statistical process of simple kriging for Project 1.

Current spot prices of 4E in aggregate are higher than the base case long term metal prices as set out in the Updated Feasibility Study, but are within the range (in aggregate, including exchange rates for the Merensky Reef pricing) of the sensitivity analysis contained in the Updated Feasibility Study.

The following is a statement of attributable reserves and resources for Project 1 and Project 3. Additional information regarding the resource calculation can be found in the Reports. Reserves presented below are a sub-set of measured and indicated resources included in the Updated Feasibility Study and take into account mining factors and are not in addition to the resources. The 4E cut-off in the tables below are 300 cm.g/t for Project 1 and 100 cm.g/t for Project 3 ("cm.g/t" refers to the grade at the stipulated resource cut width (in centimetres)). Where used in the following four tables, "MR" or "Merensky" refers to Merensky Reef, and "UG2" refers to Upper Group 2 Chromitite Seam. Due to rounding, table columns may not add up. Project 1 tonnes are reported after deducting 14% for MR and 23% for the UG2 for geological losses. Pro ject 3 tonnes are reported after deducting 14% for geological losses.

Reef	Resource Category	Tonnes (million)	Grade (4E) (g/t)	Mining width (meters)	Prill Split (4E)				Ozs (millions) (1)
					PT	Pd	Rh	Au	
Project 1 (2)									
MR	Measured	6.603	8.38	1.33	64%	27%	4%	5%	1.779
UG2	Measured	7.464	4.26	1.34	63%	26%	10%	1%	1.022
MR	Indicated	11.183	7.25	1.24	64%	27%	4%	5%	2.607
UG2	Indicated	19.209	4.46	1.39	63%	26%	10%	1%	2.754
MR	Inferred	0.154	8.96	1.06	64%	27%	4%	5%	0.044
UG2	Inferred	0.022	3.91	0.83	63%	26%	10%	1%	0.003
Project 3 (3)(4)									
MR	Indicated	5.157	6.03	1.14	64%	27%	4%	5%	0.999
UG2	Indicated	5.947	4.91	1.16	62%	28%	9%	1%	0.940
MR	Inferred	0.443	5.34	1.14	64%	27%	4%	5%	0.076

Notes:

(1) Platinum currently has a 54.75% interest in these resources and will increase its interest to 74% upon exercise of the Maseve Subscription Right.

(2) The qualified person under NI 43-101 ("Qualified Person") for the information in the table above respecting Project 1, derived from the Project 1 Report, is Charles Muller, who was independent of the Company as of the date of the Project 1 Report.

(3) The Qualified Person for the information in the table above with respect to Project 3, derived from the Project 3 Report, is Charles Muller, who was independent of the Company as of the date of the Project 3 Report.

(4) Subsequent to the publication of the Project 3 Report in October 2010, further analysis, scoping work and optimization of resource block perimeters has resulted in small improvements (less than 10% change) to the originally reported resource and it is these amended results that are reported herein.

Merensky Reserves Project 1 (1)		
Tonnes t	4E g/t	Content Moz 4E
Merensky Proven		
6,677,304	5.61	1.205
Merensky Probable		
11,333,294	5.44	1.983
Total Merensky Mineral Reserves		
18,010,598	5.51	3.188

Note:

(1) Platinum currently has a 54.75% interest in these reserves and will increase its interest to 74% upon exercise of the Maseve Subscription Right. The Qualified Persons for the information in the above table with respect to Project 1, derived from the Updated Feasibility Study, are Charles Muller and Gordon Cunningham, each of whom were independent of the Company as of the date of the Updated Feasibility Study. Reserves were calculated based on the resources as reported and available at the time of the Updated Feasibility Study.

UG2 Reserves Project 1 (1)		
Tonnes t	4E g/t	Content Moz 4E
UG2 Proven		
5,086,535	3.37	0.551
UG2 Probable		
8,448,801	3.41	0.927
Total UG2 Mineral Reserves		
13,535,336	3.40	1.478

Note:

(1) Platinum currently has a 54.75% interest in these reserves and will increase its interest to 74% upon exercise of the Maseve Subscription Right. The Qualified Persons for the information in the above table with respect to Project 1, derived from the Updated Feasibility Study, are Charles Muller and Gordon Cunningham, each of whom were independent of the Company as of the date of the Updated Feasibility Study. Reserves were calculated based on the resources as reported and available at the time of the Updated Feasibility Study.

Listing of Individual Elements from 4E Reserve Statement

Metal	Reef	Category	Prill Split	Tonnage	g/t	Content	
				Tonnes		Tonne	Moz
Pt	Merensky	From Proved 4E Reserve	64%	6,677,304	3.59	23.99	0.771
		From Probable 4E Reserve	64%	11,333,294	3.48	39.47	1.269
		Total	64%		3.52	63.46	2.040
	UG2	From Proved 4E Reserve	63%	5,086,535	2.12	10.79	0.347
		From Probable 4E Reserve	63%	8,448,801	2.15	18.16	0.584
		Total	63%	13,535,336	2.14	28.95	0.931
Pd	Merensky	From Proved 4E Reserve	27%	6,677,304	1.52	10.12	0.325
		From Probable 4E Reserve	27%	11,333,294	1.47	16.65	0.535
		Total	27%	18,010,598	1.49	26.77	0.861
	UG2	From Proved 4E Reserve	26%	5,086,535	0.88	4.45	0.143
		From Probable 4E Reserve	26%	8,448,801	0.89	7.50	0.241
		Total	26%	13,535,336	0.88	11.95	0.384
Rh	Merensky	From Proved 4E Reserve	4%	6,677,304	0.22	1.50	0.048
		From Probable 4E Reserve	4%	11,333,294	0.22	2.47	0.079
		Total	4%	18,010,598	0.22	3.97	0.128
	UG2	From Proved 4E Reserve	10%	5,086,535	0.34	1.71	0.055
		From Probable 4E Reserve	10%	8,448,801	0.34	2.88	0.093
		Total	10%	13,535,336	0.34	4.60	0.148
Au	Merensky	From Proved 4E Reserve	5%	6,677,304	0.28	1.87	0.060
		From Probable 4E Reserve	5%	11,333,294	0.27	3.08	0.099
		Total	5%	18,010,598	0.28	4.96	0.159
	UG2	From Proved 4E Reserve	1%	5,086,535	0.03	0.17	0.006
		From Probable 4E Reserve	1%	8,448,801	0.03	0.29	0.009
		Total	1%	13,535,336	0.03	0.46	0.015

The Qualified Persons for the information in the above table with respect to Project 1, derived from the Updated Feasibility Study, are Charles Muller and Gordon Cunningham, each of whom were independent of the Company as of the date of the Updated Feasibility Study.

Cautionary Note to U.S. Investors with respect to the information in the above three tables: ***The U.S. Securities and Exchange Commission permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. The Company uses certain terms in this document, such as "measured," "indicated," and "inferred," "reserves," and "resources," that the SEC guidelines strictly prohibit U.S. registered companies from including in their filings with the SEC. "Resources" are not "Reserves" and so do not have demonstrated economic viability. U.S. investors are urged to consider closely the disclosure in the Company's U.S. regulatory filings, File No. 0-033562, which may be secured from the Company, or from the SEC's website at: http://sec.gov.***

Updated Feasibility Study – October 2009

The Updated Feasibility Study recommends a series of five simultaneous declines accessing the deposit with a mining rate of 156,000 tonnes per month, which provides 13 years of steady state tonnage production. First ore is reached by development 13 months from the commencement of underground work. Mining is only scheduled on the reserves. Resources in the Project 1 area and lower grade UG2 resources also provide some future opportunities. The mining and development plan includes conventional hand held drilling utilizing electrical drills and scraper winch cleaning similar to the successful conventional mining at the adjacent mines. Declines and primary access to the deposit is designed for development with mechanized equipment. Ore is initially to be hauled out of the mine with mechanized equipment and assisted then by conveyor from year 4 of mine life to end of mine life.

The Merensky Reef will be mined at widths between 93cm and 176cm at an average of 115cm and the UG2 Reef will be mined at widths between 105cm and 205cm at an average of 153cm. At the recommended mining rate and modifying factors the mine plan generates approximately 234,000 – 300,000 4E oz in concentrate per year. During 9 years of peak production, approximately 275,000 4E oz are produced from the Merensky Reef horizon. The mine has a 22 year planned mine life. The Qualified Persons who authored the Updated Feasibility Study have recommended that the mine plan be reviewed based upon the changes to the mineral resources. This work is being carried out as part of project implementation.

Infrastructure and Metal Recovery

The Updated Feasibility Study design for metallurgical extraction utilizes a standard plant design similar to other nearby plants in the Bushveld complex operating on the same reefs. The plant is designed with circuits that can process Merensky Reef, UG2 Reef or a blended feed. The Merensky Reef is the target of initial mining because of its higher grade and low chrome content. The concentrator has been designed and re-costed, based on treating the optimal 140,000 tonnes per month. The revised mine plan has increased this treatment rate to 160,000 tonnes per month and for the concentrator to treat this increased quantity of reef, the recovery has been reduced with a discount of up to 2.5% for treatment in excess of nominal “name plate” capacity.
Metallurgical testing and the published experience of the adjacent operating mines support a “name plate” capacity plant recovery rate estimate of 87.5% of platinum, palladium, rhodium and gold on the Merensky Reef and 82.5% on the UG2 Reef. Recoveries of 45% for nickel and 70% for copper are also modeled for the Merensky Reef. Ruthenium and Iridium are also included as minor contributors. Further metallurgical test work has now been undertaken at the time of writing as the Company prepares for project implementation and negotiations on final off take terms.

The mine infrastructure in the estimates includes the entire required surface infrastructure for a standalone mine including water, power, underground access and ventilation to establish full production. At the time of writing the Company is in discussions with local water utility Magaliesberg Water for the delivery of a temporary water supply during construction and for a permanent water supply as a part of a regional development plan already underway. During 2010 the Company paid the South African power utility Company ESKOM deposits against their work to design infrastructure for the delivery of construction power and commercial production power to the property.

Smelter Terms

The Updated Feasibility Study includes capital and operating estimates to produce concentrate but no capital is included for smelting or refining of this concentrate. The costs associated with smelting and refining of concentrate is modeled as a deduction from revenue arising from the sale of concentrate to others. While the terms of agreements governing the sale of such concentrates within the South African PGM industry are all confidential, the relevant Qualified Person for the Updated Feasibility Study believes deductions used in the Updated Feasibility Study financial model are indicative of deductions current in this industry. The party to whom concentrate will be sold and the terms of this potential sale are yet to be determined. Anglo Platinum has a 60 day right of first refusal to purchase all of the ore or concentrate produced by Projects 1 and 3 on commercial terms. Estimated deductions in the Updated Fe asibility Study include penalties and shipment charges and total approximately 15% from gross concentrate sales revenue. Should Anglo Platinum decide to purchase the concentrate produced by the Project 1 mine the structure of such purchase would be governed by the pro-forma off-take agreement included in the WBJV Agreement, however the commercial terms will be subject to negotiation. Approaches will now be made to Anglo Platinum and other parties in an attempt to secure an off-take agreement and the terms thereof based on the Updated Feasibility Study production profile.

Financial Details

The results of the Updated Feasibility Study show a strong Internal Rate of Return "IRR" (pretax) for the Base Case of 23.54%. The Base Case is modeled using 3 year trailing metal prices including US$1,343 per ounce platinum, an exchange rate of 8 Rand to the US Dollar and a 10% discount rate. Using metal prices to September 2009, including US$1,295 per ounce platinum, the IRR for the project (pre-tax) is 15.63%. The model does not include escalation due to inflation of costs or metal prices.

Average life-of-mine cash operating costs to produce concentrate is now estimated at R525 per tonne (approximately US$65.63) of ore or R4,208 (approximately US$526) per 4E ounce on a life of mine basis. Operating costs and underground development costs have increased from those in the July 2008 Feasibility Study as a result primarily of mining related cost including labour increases. The Merensky Reef layer represents the first 15 years of production and the Merensky basket price per 4E ounce is modeled at US$1,185 (3 year trailing prices) and US$1,025 (recent prices). The UG2 layer represents the balance of the production. The UG2 basket price per 4E ounce is modeled at US$1,433 (3 year trailing prices) and US$1,068 (recent prices). The model includes a subsequent average 15.16% discount from the metal price to estimate the smelter pay discount.

The project has an estimated life of 22 years with 9 years at a steady state of production of 234,000 to 300,000 ounces per year. The capital cost for the mine and concentrator complex are R3.55 billion or US$443.13 million for peak funding and R4.76 billion or US$595.04 million for life of mine funding. The life of mine capital cost estimate has been reduced from that in the July 2008 Feasibility Study by US$89 million as a result of change in design to use mostly grid power rather than self generated power and improvements in mine design.

In October 2010 the Company raised gross proceeds of $143.81 million on the issue of 70.15 million shares on a bought deal basis. The net proceeds received by the Company from the offering were approximately $135.6 million (determined after deducting the Underwriters' Fee of $7.91 million and estimated expenses of the offering of $300,000).

The Updated Feasibility Study estimates the total capital cost to build the Project Platinum Mine at US$443 million (at 8.0 Rand to the USD). The net proceeds of the offering will allow the Company to initiate development, but further financing will be required to complete the project, likely from a combination of debt financing and the issuance of additional equity.

The Company intends to use approximately $58.50 million of the net proceeds of the offering as a payment to Maseve to exercise the Maseve Subscription Right, increasing the Company's interest in Project 1 and Project 3 to 74%. Of the remaining net proceeds of the offering, approximately $74 million will be applied against the Company's 74% share of an initial $100 million development programme for Project 1 and $10 million will be reserved for general working capital purposes. The Company may apply other cash on hand or proceeds from future warrant exercises against an expanded work programme for Project 1.

The initial development programme for Project 1 will include finalizing the purchase of surface rights and facilities for an amount of approximately $17.21 million. The remainder will be applied for the commencement of surface and earth works, including pads, lay down areas, a box cut, decline access and limited level development. Such work will also include detailed implementation preparations to be made by the Company including working with the key potential contractors and the potential suppliers of water and power. The Company must also complete additional engineering work and consider potential changes in capital costs, power availability and project implementation schedules due to changes in the mining market, metals prices and other factors since the effective date of the Updated Feasibility Study.

The Company has generally found an improvement of the availability of contractors and equipment, with a corresponding lowering of costs. Currently, the general outline of project implementation, costs and timing is believed by management of the Company to be appropriate but with an approximate delay to the project start of 10 to 12 months from the dates in the Updated Feasibility Study due to the delay in completing the WBJV Restructuring and the resulting delay in project funding.

Although the Company intends to use the funds from the offering as set forth above, the actual allocation of the net proceeds may vary from those set out above, depending on future developments in the Company's mineral properties or unforeseen events.

Social Development and Responsibilities

Feedback from the public consultation processes for the environmental assessment and social and labour plan development have been constructive and positive. The mine capital development plan includes a significant investment in training through the life of mine, allocated to a social and labour plan to ensure maximum value from the project for all stakeholders including local residents. Based on interaction with the community, a skills and needs assessment, and our training plans the project is planning for 2,700 jobs with a target of at least 30% from the local communities. The Company is committed to a strong community involvement in the project particularly as Wesizwe Platinum is a 26% partner in the project and their largest shareholder is one of the communities near the mine. The mine's financial estimates include an accumulated charge per tonne to create a fund for eventual closure of the mine projected in 2031.

Dividends

The Company has not declared nor paid dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

Description of Capital Structure

Our authorized share structure consists of an unlimited number of common shares without par value, of which 168,541,692 common shares were issued and outstanding as at November 26, 2010. All of the issued common shares are fully paid. The Company does not own any of its common shares.

Shareholders are entitled to one vote for each share on all matters to be voted on by the shareholders. Each common share is equal to every other common share and all common shares participate equally on liquidation, dissolution or winding up of our company, whether voluntary or involuntary, or any other distribution of our assets among our shareholders for the purpose of winding up our affairs after we have paid out our liabilities. The shareholders are entitled to vote for each share held and are entitled to receive *pro rata* such dividends as may be declared by the board of directors out of funds legally available therefore and to receive *pro rata* the remaining property of our company upon dissolution. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights, and no provisions for redemption, purchase or cancellation, surrender, sinking fund or purchase fund. Provisions as t o the creation, modification, amendment or variation of such rights or such provisions are contained in the *Business Corporations Act* (British Columbia) (the "BCA").

Market for Securities

Trading Price and Volume

The Company's common shares are listed on the Toronto Stock Exchange under the symbol "PTM" and on the NYSE AMEX under the symbol "PLG".

The following tables provide information as to the high, low trading prices of the Company's shares during the 12 months of the most recently completed financial year as well as the volume of shares traded for each month:

Toronto Stock Exchange - PTM

Month	*High*	*Low*	*Volume*
September, 2009	1.38	1.05	311,400
October, 2009	1.84	1.31	305,800
November, 2009	1.98	1.64	200,200
December, 2009	2.36	1.67	137,400
January, 2010	2.65	1.81	522,700
February, 2010	2.34	1.82	213,300
March, 2010	2.31	1.81	182,200
April, 2010	2.92	1.98	392,600
May, 2010	2.86	1.99	401,200
June, 2010	2.28	1.74	246,000
July, 2010	1.98	1.71	226,600
August, 2010	2.15	1.73	536,800

NYSE AMEX – PLG

Month	*High*	*Low*	*Volume*
September, 2009	1.30	0.92	118,700
October, 2009	1.75	1.11	218,900
November, 2009	1.89	1.53	135,600
December, 2009	2.30	1.56	155,300
January, 2010	2.62	1.69	697,900
February, 2010	2.22	1.69	260,200
March, 2010	2.27	1.75	264,400
April, 2010	2.89	1.96	321,400
May, 2010	2.84	1.84	488,200
June, 2010	2.21	1.62	260,300
July, 2010	1.92	1.57	106,400
August, 2010	2.09	1.65	113,500

Prior Sales

None

Escrowed Securities

There are no securities of the Company held in escrow.

Directors and Officers

Name & Position	Principal Occupation or Employment	Director since
R. MICHAEL JONES (4) President, CEO and Director British Columbia, Canada	Professional Geological Engineer President and Chief Executive Officer of the Company and a predecessor company from 2000 to present.	February 18, 2002
FRANK R. HALLAM(3) (4) CFO, Secretary and Director British Columbia, Canada	Chartered Accountant Chief Financial Officer of the Company and the founder of a predecessor company from 1983 to present.	February 18, 2002
BARRY SMEE (1)(2)(3) Director British Columbia, Canada	Geologist and Geochemist President of Smee & Associates, a private consulting, geological and geochemistry company, since 1990.	February 18, 2002
IAIN McLEAN (1)(2)(3)(4) Chairman Director and Corp. Consultant to Co. British Columbia, Canada	General Management Consultant. Former CEO of Municipal Software Corporation of Canada, a software development company based in Victoria BC. Former Vice President and General Manager of Total Care Technologies, a division of Ad Opt Technologies Inc, a medical software development company.	February 18, 2002
ERIC CARLSON (1) (2) Director British Columbia, Canada	Chartered Accountant President and Chief Executive Officer of Anthem Properties Corp., an investment group specializing in the acquisition and management of residential and office properties in Canada and the United States, since July 1994.	February 18, 2002
PETER BUSSE COO British Columbia, Canada	Professional Mining Engineer Chief Operating Officer of the Company since October 2007. Former GM Procon Group, a contract mining development company, 2006 to 2007. Former Mine Manager, Placer Dome, Campbell Mine, 2002 to 2006.	N/A

Notes:

(1) Member of the Audit Committee
(2) Member of Compensation Committee
(3) Member of Governance and Nominating Committee
(4) Disclosure Committee

As of November 26, 2010, directors and officers of the Company own or control approximately 3,707,650 common shares of the Company representing approximately 2.19% of its issued and outstanding shares.

The term of office for each director of the Company expires at the annual general meeting of shareholders where they can be nominated for re-election.

Corporate Cease Trade Orders or Bankruptcies

None of the directors or executive officers (or any of their personal holding companies) of the Company:

a) is, or during the ten years preceding the date of this Annual Information Form been, a director, chief executive officer or chief financial officer of any company, including the Company, that:

   i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in that capacity; or

   ii) was subject to a cease trade order or similar order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director or executive officer, chief executive officer or chief financial officer of the relevant company and which resulted from an event that occurred while the director was acting in that capacity;

b) is, or during the ten years preceding the date of this Annual Information Form has been, a director or executive officer, of any company, including the Company, that while the director or executive officer was acting in that capacity or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets; or

c) has, within the ten years preceding the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

None of the directors or executive officers (or any of their personal holding companies) has been subject to:

a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

b) any other penalties or sanctions imposed by a court or regulatory body which would likely be considered important to a reasonable security holder of the Company in deciding whether to vote for a proposed director.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur t hat a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of British Columbia the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the laws of British Columbia shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. The directors and officers of the Company are not aware of any such conflicts of interests.

Code of Ethics

The Company has adopted a Code of Business Conduct (the "Code") that applies to all of its directors, officers and employees, including the Chief Executive Officer and Chief Financial Officer. The Code includes provisions covering conflicts of interest, ethical conduct, compliance with applicable government laws, rules and regulations, disclosure in reports and documents filed with, or submitted to, the SEC, reporting of violations of the Code and accountability for adherence to the Code. A copy of the Code is posted on the Company's website, at www.platinumgroupmetals.net.

Committees of the Board of Directors

Audit Committee

The Audit Committee is responsible for reviewing the Company's financial reporting procedures, internal controls and the performance of the Company's external auditors. See Audit Committee Charter attached herein as Schedule "A".

Audit Committee Composition and Background

The Audit Committee is comprised of Eric Carlson (Chairman), Iain McLean and Barry Smee. All three members of the Audit Committee are independent and financially literate, meaning they are able to read and understand the Company's financial statements and to understand the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. In addition to each member's general business experience, the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee are set forth below:

Eric H. Carlson, B.Comm, Chartered Accountant - Mr. Carlson has over 20 years of real estate investment, development and management experience and he has been the President of Anthem Properties Corp. since July 1994. Anthem is an investment group that specializes in the acquisition and management of Class B retail, multi family residential and office properties in high growth markets in Canada and the USA.

Iain D. C. McLean, B.Sc.Eng (ARSM), M.B.A., MIMM. C. Eng. - Experience as senior executive in several public companies managing operations, listings, capital raising, etc. Also has experience in underground mining operations in the UK and South Africa.

Dr. Barry W. Smee, Ph.D., P.Geo - Professional Geologist/Geochemist with 36 years in mineral exploration as quality control and laboratory audit expert.

The Board of Directors has determined that each of Mr. McLean and Mr. Carlson is an audit committee financial expert within the meaning of the regulations promulgated by the SEC and is independent within the meaning of the NYSE-AMEX Company Guide. Mr. McLean has an M.B.A. from Harvard Business School and a B.Sc (Eng.) in Mining from the Imperial College of Science and Technology (London, England). In addition to his education, Mr. McLean has gained relevant experience acting as the Chief Operating Officer of several private technology companies since 1995 and as the Vice President of Operations at Ballard Power Systems from 1993 to 1995. Mr. Carlson is a Chartered Accountant and holds a Bachelor of Commerce degree from the University of British Columbia.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the exemptions set out in Sections 2.4, 3.2, 3.4 or 3.5 of National Instrument 52-110 *Audit Committees* ("NI 52-110"), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. No non-audit services were approved pursuant to a de minimis exemption to the pre-approval requirement.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Pre-Approval Policies and Procedures

The Company's audit committee is authorized to review the performance of the Company's independent auditors and pre-approves all audit and non-audit services to be provided to the Company by its independent auditor. Prior to granting any pre-approval, the audit committee must be satisfied that the performance of the services in question is not prohibited by applicable securities laws and will not compromise the independence of the independent auditor. All non-audit services performed by the Company's auditor for the fiscal year ended August 31, 2010 and August 31, 2009 have been pre-approved by the audit committee.

Independent Auditor's Fees

The aggregate fees billed by the Company's current independent auditor, PricewaterhouseCoopers LLP.

	Year ended August 31, 2010	Year ended August 31, 2009
Audit Fees	$245,876	$210,000
Audit-Related Fees[1]	Nil	$57,680
Tax Fees[2]	$250,888	$66,564
All Other Fees[3]	$20,970	$56,500
Total	$517,734	$390,744

Notes:

(1) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements, which are not included under the heading "Audit Fees".
(2) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning, and restructuring advice.
(3) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

Legal Proceedings and Regulatory Actions

There are no pending or material proceedings to which our company is or is likely to be a party or of which any of our properties is or is likely to be the subject.

Interest of Management and Others in Material Transactions

No director, executive officer or principal shareholder of the Company, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this Annual Information Form that has materially affected or will materially affect the Company.

Transfer Agents and Registrars

The Company's transfer agent and registrar is:

Computershare Investor Services Inc.
3rd floor – 510 Burrard Street
Vancouver, British Columbia
Canada V6C 3B9

Material Contracts

Other than the Maseve Shareholders Agreement, there are no contracts of the Company other than contracts entered into in the ordinary course of business of the Company (See "General Development of the Company"), that are material to the Company and that were entered into within the most recently completed financial year of the Company or before the most recently completed financial year of the Company and which are still in effect.

Interests of Experts

Charles J. Muller, Minxcon (Pty) Ltd., Gordon I. Cunningham, Timothy Spindler, Turnberry Projects (Pty) Ltd. and Byron Stewart, Wardrop Engineering Inc. have been named as having prepared reports described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by the Company during, or relating to, the Company's most recently completed financial year.

None of the aforementioned firms or persons held any securities or property of the Company or any associate or affiliate of the Company when they prepared the reports referred to above or following the preparation of such reports nor did they receive any direct or indirect interest in any securities or other property of the Company or any associate or affiliate of the Company in connection with the preparation of the reports (other than compensation in cash for their services).

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

The Company's independent auditors are PricewaterhouseCoopers LLP, Chartered Accountants, who have issued an independent auditors' report dated November 29, 2010 in respect of the Company's consolidated financial statements as at August 31, 2010 and for the year ended August 31, 2010 and the Company's internal control over financial reporting as at August 31, 2010. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia and the rules of the US Securities and Exchange Commission.

Additional Information

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including details as to directors' and officers' remuneration, principal holders of the Company's shares, options to purchase Company shares and certain other matters, is contained in the Company's Management Information Circular for the Annual General Meeting of shareholders to be held on January 12, 2011. The Circular will be made available on SEDAR concurrent with the delivery of the document to the Company's shareholders.

Additional financial information is provided in the Company's 2010 Annual Report containing the Management's Discussion and Analysis and the Consolidated Financial Statements for the year ended August 31, 2010.

Copies of the above may be obtained, when available, on the Company's website www.platinumgroupmetals.net; on the SEDAR website at www.sedar.com; or by calling the Company's investor relations personnel at 604-899-5450.

Schedule "A"

PLATINUM GROUP METALS LTD.
(the "Corporation")

AUDIT COMMITTEE CHARTER

1. General

The Board of Directors of the Corporation (the "Board") has established an Audit Committee (the "Committee") to assist the Board in fulfilling its oversight responsibilities. The Committee will review and oversee the financial reporting and accounting process of the Corporation, the system of internal control and management of financial risks, the external audit process, and the Corporation's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Corporation's business, operations and r isks.

The Corporation's independent auditor is ultimately accountable to the Board and to the Committee. The Board and Committee, as representatives of the Corporation's shareholders, have the ultimate authority and responsibility to evaluate the independent auditor, to nominate annually the independent auditor to be proposed for shareholder approval, to determine appropriate compensation for the independent auditor, and where appropriate, to replace the outside auditor. In the course of fulfilling its specific responsibilities hereunder, the Committee must maintain free and open communication between the Corporation's independent auditors, Board and Corporation management. The responsibilities of a member of the Committee are in addition to such member's duties as a member of the Board.

2. Members

The Board will in each year appoint a minimum of three (3) directors as members of the Committee. All members of the Committee shall be non-management directors and shall be independent within the meaning of all applicable U.S. and Canadian securities laws and the rules of the Toronto Stock Exchange and the American Stock Exchange, unless otherwise exempt from such requirements.

None of the members of the Committee may have participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the past three years.

All members of the Committee shall be able to read and understand fundamental financial statements and must be financially literate within the meaning of all applicable U.S. and Canadian securities laws or become financially literate within a reasonable period of time following his or her appointment. Additionally, at least one member of the Committee shall be financially sophisticated and shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, which may include being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities.

3. Duties

The Committee will have the following duties:

- Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review any legal matters which could significantly impact the financial statements as reported on by the Corporation's counsel and engage outside independent counsel and other advisors whenever as deemed necessary by the Committee to carry out its duties.
- Review the Corporation's annual and quarterly financial statements, including Management's Discussion and Analysis with respect thereto, and all annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the external auditors and determine whether they are complete and consistent with the information known to Committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.
- Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- Review audit issues related to the Corporation's material associated and affiliated companies that may have a significant impact on the Corporation's equity investment.
- Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- Evaluate the fairness of the interim financial statements and related disclosures including the associated Management's Discussion and Analysis, and obtain explanations from management on whether:
  - actual financial results for the interim period varied significantly from budgeted or projected results;
  - generally accepted accounting principles have been consistently applied;
  - there are any actual or proposed changes in accounting or financial reporting practices; or
  - there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.

- Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.

- Recommend to the Board an external auditor to be nominated for appointment by the Corporation's shareholders. Subject to the appointment of the Corporation's external auditor by the Corporation's shareholders, the Committee will be directly responsible for the appointment, compensation, retention and oversight of the work of external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. The Corporation's external auditor shall report directly to the Committee.

- Review with the Corporation's management, on a regular basis, the performance of the external auditors, the terms of the external auditor's engagement, accountability and experience.

- Pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor.

- Consider at least annually the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services obtained by the Corporation, including:

insuring receipt from the independent auditor of a formal written statement delineating all relationships between the independent auditor and the Company, consistent with the Independence Standards Board Standard No. 1 and related Canadian regulatory body standards;

- considering and discussing with the independent auditor any relationships or services, including non-audit services, that may impact the objectivity and independence of the independent
- auditor; and
- as necessary, taking, or recommending that the Board take, appropriate action to oversee the independence of the independent auditor.

- Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure contained in the Corporation's financial statements, Management's Discussion and Analysis and annual and interim earnings press releases; and must periodically assess the adequacy of those procedures.

- Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

- Establish a procedure for:
  - the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
  - the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
- Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately in the absence of management.
- Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- Review and oversee all related party transactions.
- Perform other functions as requested by the Board.
- If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.
- Review and re-assess annually the adequacy of this Charter and recommend updates to this charter; receive approval of changes from the Board.
- With regard to the Corporation's internal control procedures, the Committee is responsible to:
  - review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those related to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management; and
  - review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate; and
  - review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
- periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- Comply with Rule 10A – 3(b)(2), (3), (4) and (5) under the Securities Exchange Act of 1934.

4. Chair

The Committee will in each year appoint the Chair of the Committee from among the members of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select another member as Chair. The Chair will not have a casting vote.

5. Meetings

The Committee will meet at least once every calendar quarter. Special meetings shall be convened as required. Notices calling meetings shall be sent to all members of the Committee, all Board members and the external auditor. The external auditor of the Corporation must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Committee. At the request of the external auditor, the Committee must convene a meeting of the Committee to consider any matter that the external auditor believes should be brought to the attention of the Board or shareholders of the Corporation.

The Committee may invite such other persons (e.g. without limitation, the President or Chief Financial Officer) to its meetings, as it deems appropriate.

6. Quorum

A majority of members of the Committee, present in person, by teleconferencing, or by videoconferencing, or by any combination of the foregoing, will constitute a quorum.

7. Removal and Vacancy

A member may resign from the Committee, and may also be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to be a director of the Corporation. The Board will fill vacancies in the Committee by appointment from among the directors in accordance with Section 2 of this Charter. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members will exercise all of the Committee's powers.

8. Authority

The Committee may:

- engage independent counsel and other advisors as it determines necessary to carry out its duties.
- set and pay the compensation for any advisors employed by the Committee; and
- communicate directly with the internal and external auditors.

The Committee may also, within the scope of its responsibilities, seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice, and to ensure the attendance of Corporation officers at meetings as appropriate.

9. Secretary and Minutes

The Chair of the Committee will appoint a member of the Committee or other person to act as Secretary of the Committee for purposes of a meeting of the Committee. The minutes of the Committee meetings shall be in writing and duly entered into the books of the Corporation, and will be circulated to all members of the Board.

10. Funding

The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of (a) compensation to any registered public accounting firm engaged for the purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; (b) compensation to any advisers employed by the Committee; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carry out its duties.

Schedule "B"
Glossary of Mining Terms

The following is a glossary of certain mining terms used in this Annual Information Form.

"AEM" is an abbreviation for airborne electromagnetic.

"Ag" refers to silver.

"anomalous" refers to a sample or location that either (i) the concentration of an element(s) or (ii) geophysical measurement is significantly different from the average background values in the area.

"anomaly" refers to the geographical area corresponding to anomalous geochemical or geophysical values.

"anorthosite" is a rock comprised of largely feldspar minerals and minor mafic iron-magnesium minerals.

"As" refers to arsenic.

"assay" is an analysis to determine the quantity of one or more elemental components.
"Au" refers to gold.

"BIC" is an abbreviation for the Bushveld Igneous Complex in South Africa, the source of most of the world's platinum and is a significant producer of palladium and other platinum group metals (PGM's) as well as chrome.

"breccia" is a rock type with angular fragments of one composition surrounded by rock of another composition or texture.

"bulk placer sampling" (in the context of placer properties) refers to the process of obtaining individual gravel samples in the order of 5 to 15 cubic yards using an excavating machine and running the samples through a concentrating device to measure the placer gold content per cubic yard.

"chalcopyrite" is a copper sulfide mineral.

"channel sample" is a surface sample which has been collected by continuous sampling across a measured interval, and is considered to be representative of the area sampled.

"chargeability" is a measure of electrical capacitance of a rock that may indicate the presence of disseminated sulfide minerals but not all chargeability features are caused by such sulfides.

"cm" refers to centimetres.

"crosscut" is a mine working, which is driven horizontally and at right angles to an adit, drift or level.

"Cu" refers to copper.

"deposit" is a mineralized body, which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures. Such a deposit does not qualify as a commercially mineable ore body or as containing ore reserves, until final legal, technical, and economic factors have been resolved.

"diamond drill" is a type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of the long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock that is covered in long cylindrical sections, an inch or more in diameter.

"early-stage exploration property" refers to a property that has been subjected to a limited amount of physical testing and systematic exploration work with no known extensive zone of mineralization.

"EM" is an abbreviation for electromagnetic.

"exploration stage" refers to the stage where a company is engaged in the search for minerals deposits (reserves), which are not in either the development or production stage.

"fault" is a fracture in a rock across which there has been displacement.

"fracture" is a break in a rock, usually along flat surfaces.

"gabbro" is an intrusive rock comprised of a mixture of mafic minerals and feldspars.

"gossanous" refers to a rock outcrop that is strongly stained by iron oxides.

"grab sample" is a sample of selected rock chips collected from within a restricted area of interest.

"grade" is the concentration of an ore metal in a rock sample, given either as weight percent for base metals (i.e., Cu, Zn, Pb) or in grams per tonne (g/t) or ounces per short ton (oz/t) for precious or platinum group metals.

"g/t" refers to grams per tonne.

"highly anomalous" is an anomaly, which is in approximately the 90^{th} percentile of the sample or measurement population.

"ICP" refers to inductively coupled plasma, a laboratory technique used for the quantitative analysis of samples (soil, rock, etc.) taken during field exploration programs.

"indicated mineral resource" is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

"inferred mineral resource" is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

"intrusive" is a rock mass formed below earth's surface from molten magma, which was intruded into a pre-existing rock mass and cooled to solid.

"IP survey" refers to induced polarization survey, a geophysical method of exploring an area in which physical properties relating to geology are used.

"kriging" is the numerical modelling by applying statistics to resource calculations (or other earth sciences problems). The method recognizes that samples are not independent and that spatial continuity between samples exists.

"lode mining" refers to mining in solid rock.

"mafic" is a rock type consisting of predominantly iron and magnesium silicate minerals with little quartz or feldspar minerals.

"magmatic" means pertaining to magma, a naturally occurring silicate melt, which may contain suspended silicate crystals, dissolved gases, or both; magmatic processes are at work under the earth's crust.

"measured mineral resource" is that part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

"mid-stage exploration property" is one hosting a known zone of mineralization, which has been subjected to a limited amount of physical testing and systematic exploration work.

"mineralization" refers to minerals of value occurring in rocks.

"mineral reserve" is the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when material is mined.

"mineral resource" is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.

"Mo" refers to molybdenum, a hard, silver-white metal.

"National Instrument 43-101" NI 43-101 entitled "Standards of Disclosure for Mineral Projects" sets out Canadian securities reporting guidelines for mining companies.

"Ni" is an abbreviation for nickel.

"outcrop" refers to an exposure of rock at the earth's surface.

"overburden" is any material covering or obscuring rocks from view.

"Pd" refers to palladium.

"PGM" refers to platinum group metals, i.e. platinum, palladium, rhodium and gold.

"PGE" refers to mineralization containing platinum group elements, i.e. platinum, palladium, rhodium and gold.

"placer mining" is the mining of unconsolidated material, which overlies solid rock (bedrock).

"ppb" refers to parts per billion.

"ppm" refers to parts per million.

"probable mineral reserve" is the economically mineable part of an indicated, and in some circumstances a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

"proven mineral reserve" is the economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified

"Pt" refers to platinum.

"pyrite" is an iron sulfide mineral.

"pyroxenite" refers to a relatively uncommon dark-coloured rock consisting chiefly of pyroxene; pyroxene is a type of rock containing sodium, calcium, magnesium, iron, titanium and aluminum combined with oxygen.

"quartz" is a common rock-forming mineral (SiO_2).

"Rh" refers to rhodium, a platinum metal. Rhodium shares some of the notable properties of platinum, including its resistance to corrosion, its hardness and ductility. Wherever there is platinum in the earth, there is rhodium as well. In fact, most rhodium is extracted from a sludge that remains after platinum is removed from the ore. A high percentage of rhodium is also found in certain nickel deposits in Canada.

"room and pillar mining" is a method of mining flat-lying ore deposits in which the mined-out areas, or rooms, are separated by pillars of approximately the same size.

"stope" is an underground excavation from which ore has been extracted.

"tailings" is the material that remains after all metals considered economic have been removed from ore during milling.

"ultramafic" refers to types of rock containing relatively high proportions of the heavier elements such as magnesium, iron, calcium and sodium; these rocks are usually dark in colour and have relatively high specific gravities.

"VLF" means very low frequency.



PLG:NYSE AMEX
PTM:TSX

Platinum Group Metals Ltd.

(Exploration and Development Stage Company)

Consolidated Financial Statements (Audited)
For the year ended August 31, 2010

Filed: November 29, 2010

A copy of this report will be provided to any shareholder who requests it.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Platinum Group Metals Ltd.

We have completed an integrated audit of Platinum Group Metals Ltd.'s 2010, 2009 and 2008 consolidated financial statements and of its internal control over financial reporting as of August 31, 2010. Our opinions, based on our audits, are presented below.

Consolidated financial statements

We have audited the accompanying consolidated balance sheets of Platinum Group Metals Ltd. as of August 31, 2010 and August 31, 2009, and the related consolidated statements of operations and comprehensive income, shareholders' equity, and cash flows for each of the three years ended August 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit of the Company's financial statements in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. A financial statement audit also includes assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as at August 31, 2010 and August 31, 2009 and the results of its operations and its cash flows for each of the three years in the three year period ended August 31, 2010 in accordance with Canadian generally accepted accounting principles.

Internal control over financial reporting

We have also audited Platinum Group Metals Ltd.'s internal control over financial reporting as at August 31, 2010, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and
performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reas onable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We do not express an opinion or any other form of assurance on management's statement referring to the corrective action taken subsequent to the year end.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual financial statements will not be prevented or detected on a timely basis. It was determined that the Company did not maintain effective internal control over financial reporting as at August 31, 2010, because of a material weakness identified in the period-end financial reporting control over appropriate documentation and analysis of non-routine transactions. The material weakness referred to above is described in the accompanying Management's Report on Internal Control over Financial Reporting.

We considered this material weakness in determining the nature, timing, and extent of audit tests applied in our audit of the August 31, 2010 consolidated financial statements, and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

In our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as at August 31, 2010 based on criteria established in *Internal Control - Integrated Framework* issued by the COSO.

PricewaterhouseCoopers LLP (signed)

Chartered Accountants
Vancouver, BC
November 29, 2010

Management's responsibility for the Financial Statements

The preparation and presentation of the accompanying consolidated financial statements, Management's Discussion and Analysis ("MD&A") and all financial information in the Annual Report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Financial statements, by nature are not precise since they include certain amounts based upon estimates and judgments. When alternative methods exist, management has chosen those it deems to be the most appropriate in the circumstances. The financial information presented elsewhere in the Annual Report is consistent with that in the consolidated financial statements.

Management, under the supervision of and the participation of the Chief Executive Officer and the Chief Financial Officer, have a process in place to evaluate disclosure controls and procedures and internal control over financial reporting as required by Canadian and U.S. securities regulations. We, as Chief Executive Officer and Chief Financial Officer, will certify our annual filings with the CSA and SEC as required in Canada by Multilateral Instrument 52-109 and in the United States as required by the Securities Exchange Act of 1934.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee which is independent from management.

The Audit Committee is appointed by the Board of Directors and reviews the consolidated financial statements and MD&A; considers the report of the external auditors; assesses the adequacy of our internal controls, including management's assessment described below; examines and approves the fees and expenses for the audit services; and recommends the independent auditors to the Board for the appointment by the shareholders. The independent auditors have full and free access to the Audit Committee and meet with it to discuss their audit work, our internal control over financial reporting and financial reporting matters. The Audit Committee reports its findings to the Board for consideration when approving the consolidated financial statements for issuance to the shareholders and management's assessment of the internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting.

Management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of the Company's internal control over financial reporting as at August 31, 2010. Based on this evaluation, management has concluded that as at August 31, 2010, the Company's internal control over financial reporting was not effective due to the accounting for the dissolution of the Western Bushvold joint venture ("WBJV"). Although the company's controls are designed effectively, the Company's controls did not operate effectively to identify the correct tax attributes arising on the transaction, resulting in the Company initially estimating that the tax basis of the WBJV was approximately equal to the carrying amount on the consolidated financial statements of the Company for the third quarter ended May 31, 2010. Accordingly, management has determined that this control deficiency constitutes a material weakness. The Company has performed further analysis and now estimates a taxable temporary difference arising from the restructuring of the WBJV and the deemed sale for accounting purposes of WBJV Project 2 to Wesizwe for an additional interest in Maseve. Going forward, the Company's internal controls relating to non-routine transactions will, where the Company believes necessary, include consultations with external experts to ensure that non-routine transactions are recorded and accounted for in accordance with GAAP. Management believes that the material weakness has been remediated, subject to testing in fiscal 2011 as part of the Company's annual assessment of the effectiveness of internal control over financial reporting.



R. Michael Jones
Chief Executive Officer



Frank Hallam
Chief Financial Officer

November 29, 2010

PLATINUM GROUP METALS LTD.

(An exploration and development stage company)
Consolidated Balance Sheets

(expressed in Canadian dollars)	**Aug. 31, 2010**	Aug. 31, 2009
ASSETS		
CURRENT		
Cash and cash equivalents	**$ 2,366,136**	$ 32,965,685
Amounts receivable (Note 3)	**1,270,548**	344,538
Available-for-sale securities (Note 4)	**-**	2,135,002
Due from WBJV partners	**-**	988,880
Due from JOGMEC partner (Note 5(b))	**-**	224,482
Prepaid expenses and other assets	**69,382**	50,812
Assets held for sale (Note 6(c))	**951,928**	-
Total current assets	**4,657,994**	36,709,399
PERFORMANCE BONDS	**160,376**	137,849
INVESTMENT IN WBJV (Note 5(a))	**-**	20,561,154
MINERAL PROPERTIES (Note 5)	**116,026,514**	6,057,034
FIXED ASSETS (Note 6(a))	**309,417**	365,079
SURFACE RIGHTS (Note 6(b))	**5,836,702**	3,240,282
Total assets	**$ 126,991,003**	$ 67,070,797
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 1,402,938**	$ 861,041
Due to JOGMEC (Note 5(b))	**423,456**	-
Due to Wesizwe (Note 5(a))	**443,614**	-
Total current liabilities	**2,270,008**	**861,041**
FUTURE INCOME TAXES (Note 14)	**21,822,522**	-
Total liabilities	**24,092,530**	**861,041**
NON CONTROLLING INTEREST (Note 5(a))	**$ 11,149,482**	$ -
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	**91,794,123**	89,945,316
Contributed surplus	**10,929,202**	11,458,915
Accumulated other comprehensive income	**(3,415,608)**	(975,575)
Deficit	**(7,558,726)**	(34,218,900)
Total shareholders' equity	**91,748,991**	66,209,756
Total liabilities and shareholders' equity	**$ 126,991,003**	$ 67,070,797

CONTINGENCIES AND COMMITMENTS (NOTE 11)

APPROVED BY THE DIRECTORS:

"Iain McLean"

Iain McLean, Director

"Eric Carlson"

Eric Carlson, Director

See accompanying notes to the consolidated financial statements

PLATINUM GROUP METALS LTD.

(An exploration stage company)
Consolidated Statements of Operations and Comprehensive Income
August 31, 2008 to August 31, 2010
(expressed in Canadian dollars)

	Year ended August 31, 2010	Year ended August 31, 2009	Year ended August 31, 2008	Cumulative amount from March 16, 2000 to August 31, 2010 (unaudited)
EXPENSES				
Amortization	**$ 104,622**	$ 117,221	$ 132,172	$ 715,546
Annual general meeting	**52,498**	67,530	65,663	415,052
Filing and transfer agent fees	**125,224**	122,976	152,853	816,332
Foreign exchange loss (gain)	**1,013,115**	(322,833)	37,340	908,814
Insurance	**106,861**	119,160	105,844	488,735
Mineral property costs written off	**-**	-	-	6,430,293
Management and consulting fees	**1,298,572**	1,112,706	843,758	5,566,285
News releases, print and mailout	**107,544**	42,974	75,688	854,467
Office and miscellaneous	**160,444**	201,680	227,497	1,409,370
Professional fees	**1,991,002**	1,082,643	973,425	5,534,434
Promotion	**106,681**	195,604	214,524	1,139,562
Property investigations and other costs	**85,051**	-	170	214,425
Rent	**203,176**	216,545	184,094	1,077,207
Salaries and benefits	**1,890,827**	1,615,361	1,345,722	8,420,649
Shareholder relations	**166,116**	299,397	128,340	1,514,205
Stock compensation expense	**137,600**	2,100,736	580,128	5,834,522
Telephone	**66,318**	87,141	73,415	480,124
Travel	**416,670**	568,413	859,139	3,395,043
Recoveries	**(239,875)**	(199,015)	(243,895)	(1,779,739)
	(7,792,446)	(7,428,239)	(5,755,877)	(43,435,326)
Less interest earned	**442,142**	139,548	243,339	1,514,389
Loss before other items	**(7,350,304)**	(7,288,691)	(5,512,538)	(41,920,937)
Other items:				
Write-down of and equity loss in investment	**-**	-	-	(429,275)
Realized gain on sale of marketable securities (Note 4)	**2,796,738**	-	-	2,844,420
Gain on WBJV reorganization (Note 5(a))	**45,619,744**	-	-	45,619,744
Gain on exchange of assets	**177,284**	7,297	-	175,651
	48,593,766	7,297	-	48,210,540
Income (loss) for the year before income taxes	**41,243,462**	(7,281,394)	(5,512,538)	6,289,603
Future income tax (expense) recovery (Note 14)	**(14,583,288)**	318,010	425,949	(12,102,329)
Income (loss) for the year	**$ 26,660,174**	$ (6,963,384)	$ (5,086,589)	$ (5,812,726)
Other comprehensive income				
Currency translation adjustment	**(803,781)**	428,820	(674,771)	(3,415,608)
Unrealized gain (loss) on marketable securities (Note 4)	**-**	864,452	(821,101)	43,351
Realized gain on marketable securities (Note 4)	**(1,636,252)**	-	-	(1,636,252)
Comprehensive income (loss) for the year	**$ 24,220,141**	$ (5,670,112)	$ (6,582,461)	$ (10,821,235)
Basic earnings (loss) per common share	**$ 0.29**	$ (0.10)	$ (0.08)	
Diluted earnings (loss) per common share	**$ 0.28**	$ (0.10)	$ (0.08)	
Weighted-average number of common shares outstanding - Basic	**93,498,192**	72,466,079	61,978,849	
Weighted-average number of common shares outstanding - Diluted	**95,446,926**	72,466,079	61,978,849	

See accompanying notes to the consolidated financial statements

PLATINUM GROUP METALS LTD.

(An exploration and development stage company)
Consolidated Statements of Shareholders' Equity
August 31, 2007, to August 31, 2010
(expressed in Canadian dollars)

	Retained Earnings/Deficit

	Common shares without par value		Contributed	Accumulated other comprehensive	accumulated during exploration & development	Total shareholders'
	Shares	Amount	surplus	income	stage	equity
Balance, August 31, 2007	60,988,747	52,373,858	3,006,384	(2,365,876)	(22,168,927)	30,845,439
Financial Instrument transition adjustment	-	-	-	1,592,901	-	1,592,901
Issued on exercise of warrants	850,000	1,487,500	-	-	-	1,487,500
Issued on exercise of stock options	760,500	1,334,748	(512,924)	-	-	821,824
Issued for mineral properties net of costs	50,000	163,236	-	-	-	163,236
Stock options granted	-	-	1,288,383	-	-	1,288,383
Translation adjustment	-	-	-	(674,771)	-	(674,771)
Unrealized loss on marketable securities	-	-	-	(821,101)	-	(821,101)
Net loss	-	-	-	-	(5,086,589)	(5,086,589)
Balance, August 31, 2008	62,649,247	55,359,342	3,781,843	(2,268,847)	(27,255,516)	29,616,822
Issuance of common shares and warrants for cash	29,969,770	34,174,382	5,288,917	-	-	39,463,299
Issued on exercise of stock options	196,650	411,592	(129,952)	-	-	281,640
Stock options granted	-	-	2,518,107	-	-	2,518,107
Translation adjustment	-	-	-	428,820	-	428,820
Unrealized gain on marketable securities	-	-	-	864,452	-	864,452
Net loss	-	-	-	-	(6,963,384)	(6,963,384)
Balance, August 31, 2009	92,815,667	89,945,316	11,458,915	(975,575)	(34,218,900)	66,209,756
Issued on exercise of stock options	1,149,125	1,848,807	(694,608)	-	-	1,154,199
Stock options granted	-	-	164,895	-	-	164,895
Translation adjustment	-	-	-	(803,781)	-	(803,781)
Realized gain on marketable securities transferred to income				(1,636,252)		(1,636,252)
Net earnings	-	-	-	-	26,660,174	26,660,174
Balance, August 31, 2010	93,964,792	$ 91,794,123	$ 10,929,202	$ (3,415,608)	$ (7,558,726)	$ 91,748,991

See accompanying notes to the consolidated financial statements

PLATINUM GROUP METALS LTD.

(An exploration stage company)
Consolidated Statements of Cash Flows
August 31, 2008 to August 31, 2010

(expressed in Canadian dollars)

	Year ended August 31, 2010	Year ended August 31, 2009	Year ended August 31, 2008	Cumulative amount from March 16, 2000 to August 31, 2010 (unaudited)
OPERATING ACTIVITIES				
Income (Loss) for the year	**$ 26,660,174**	$ (6,963,384)	$ (5,086,589)	$ (5,812,726)
Add items not affecting cash				
Amortization	**104,622**	117,221	132,172	715,546
Loss on sale of fixed assets	**-**	-	-	8,930
Equity loss and write-down of investment	**-**	-	-	429,275
Future income tax expense (recovery)	**14,583,288**	(318,010)	(425,949)	12,102,329
Gain on sale of marketable securities	**(2,796,738)**	-	-	(2,844,420)
Gain on exchange of assets	**(175,623)**	-	-	(175,623)
Realized gain on WBJV reorganization	**(45,619,744)**	-	-	(45,619,744)
Mineral property costs written off	**-**	-	-	6,430,293
Finders fee received in shares (Note 4)	**-**	-	-	(100,000)
Gain on sale of mineral property	**-**	-	-	(240,000)
Non-cash stock compensation expense	**137,600**	2,100,736	580,128	5,834,522
Net change in non-cash working capital (Note 13(a))	**394,181**	(355,301)	252,810	484,257
	(6,712,240)	(5,418,738)	(4,547,428)	(28,787,361)
FINANCING ACTIVITIES				
Performance Bonds	**(22,527)**	(11,473)	(76,965)	(160,376)
Issuance of common shares	**1,154,199**	39,744,939	2,309,324	93,265,289

	1,131,672	39,733,466	2,232,359	93,104,913
INVESTING ACTIVITIES				
Costs to acquire New Millennium Metals	**-**	-	-	(231,325)
Acquisition of fixed assets	**(48,960)**	(2,411)	(240,609)	(1,030,199)
Acquisition cost of mineral properties	**(26,460,952)**	(18,727)	(41,881)	(28,059,365)
Acquisition of surface rights	**(1,881,100)**	(1,953,180)	(1,287,102)	(5,121,382)
Exploration expenditures, net of recoveries	**(287,571)**	(231,797)	(388,973)	(9,092,138)
Investment in and advances to WBJV	**-**	(922,799)	(8,615,562)	(22,087,414)
Investment in and advances to Active Gold Group Ltd.	**-**	-	-	(246,677)
Redemption/(acquisition) of short-term investments, net	**-**	-	2,000,000	-
Proceeds on sale of assets held for sale	**652,864**	-	-	652,864
Proceeds on sale of marketable securities	**3,006,738**	-	-	3,264,220
	(25,018,981)	(3,128,914)	(8,574,127)	(61,951,416)
Net increase (decrease) in cash and cash equivalents	**(30,599,549)**	31,185,814	(10,889,196)	2,366,136
Cash and cash equivalents, beginning of year	**32,965,685**	1,779,871	12,669,067	-
Cash and cash equivalents, end of year	**$ 2,366,136**	$ 32,965,685	$ 1,779,871	$ 2,366,136

See accompanying notes to the consolidated financial statements.

1. NATURE OF OPERATIONS

The Company is a British Columbia corporation incorporated on February 18, 2002 by an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation ("New Millennium"). The Company is an exploration and development company conducting work on mineral properties it has staked or acquired by way of option agreements in Ontario, Canada and the Republic of South Africa.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and include the significant policies outlined below.

(a) Basis of presentation and principles of consolidation

The financial statements of entities controlled by the Company through voting equity interest, referred to as subsidiaries, are consolidated. Variable interest entities ("VIEs"), which include, but are not limited to, special purpose entities, trusts, partnerships and other legal structures, as defined by the Accounting Standards Board in Accounting Guideline 15, "Consolidation of Variable Interest Entities", are entities in which equity investors do not have the characteristics of a "controlling financial interest" or there is not sufficient equity at risk for the entity to finance its activities without additional subordinated financial support. VIEs are subject to consolidation by the primary beneficiary who will absorb the majority of the entities' expected losses and/or residual returns. The Company does not have any VIEs.

These consolidated financial statements include the accounts of the Company and its principal wholly-owned subsidiaries, Platinum Group Metals (Barbados) Ltd. (PTM B'dos), Platinum Group Metals (RSA) (Pty) Ltd. ("PTM RSA") (and in turn PTM RSA's wholly-owned subsidiary Wesplats Holdings (Proprietary) Limited ("Wesplats") and the 54.75% owned subsidiary Maseve Investments 11 (Pty) Ltd. ("Maseve"). PTM RSA holds mineral rights and conducts operations in the Republic of South Africa. Wesplats owns surface rights areas overlying and adjacent to mineral rights held by PTM RSA and on behalf of the Company. Maseve holds a 100% interest in Projects 1 and 3 of the former Western Bushveld Joint Venture ("WBJV"). All significant intercompany balances and transactions have been eliminated upon consolidation.

(b) Short-term investments

Short-term investments, when held, comprise guaranteed investment certificates with original maturities of more than 90 days and less than one year.

(c) Mineral properties, surface rights, and deferred exploration and development costs

Mineral properties consist of exploration and mining concessions, options, contracts and associated surface rights. Surface rights that have no associated mineral title and which are owned by the Company outright are shown separately. Acquisition and leasehold costs, exploration costs and surface rights are capitalized until such time as the property is put into production or disposed of either through sale or abandonment. Development expenditures incurred subsequent to the establishment of economic recoverability and upon receipt of project development approval from the Board of Directors are capitalized and included in the carrying amount of the related property. If put into production, the costs of acquisition, exploration and development will be amortized over the life of the property based on estimated economic reserves. If a property is abandoned, the property and deferred exploration costs are written off to operations.

Management of the Company reviews and evaluates the carrying value of each mineral property and its mineral investments for impairment annually, or more often if indicators of impairment arise. Where estimates of future net cash flows are available and the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is recognized and assets are written down to fair value. Where estimates of future net cash flows are not available, management assesses whether the carrying value can be recovered by considering alternative methods of determining recoverable amount. When it is determined that carrying value of a mineral property cannot be recovered it is written down to its estimated fair value.

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term deposits, which are readily convertible to cash and have original maturities of 90 days or less.

(e) Reclamation and closure costs

The Company recognizes the estimated fair value of liabilities for asset retirement obligations including reclamation and closure costs in the period in which they are incurred. A corresponding increase to the carrying amount of the related asset is recorded and amortized over the life of the asset. The liability is adjusted for changes in estimate at each reporting period and is accreted over time to the estimated asset retirement obligation ultimately payable through charges to operations.

The estimates are based on legal and regulatory requirements. It is possible that the Company's estimates of its ultimate reclamation and closure liabilities could change as a result of changes in regulations, the extent of environmental remediation required, changes in technology and the means and cost of reclamation. Management of the Company has determined that there are no significant reclamation liabilities as at period end.

(f) Income taxes

Future income taxes relate to the expected future tax consequences of differences between the carrying amount of balance sheet items and their corresponding tax values. Future tax assets, if any, are recognized only to the extent that, in the opinion of management, it is more likely than not that the future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment or substantive enactment.

(g) Earnings (loss) per common share

Basic earnings (loss) per common share are calculated using the weighted average number of common shares outstanding.

The Company uses the treasury stock method for the calculation of diluted earnings per share. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. In periods when a loss is incurred, the effect of potential issuances of shares under options and share purchase warrants would be anti-dilutive, and accordingly basic and diluted loss per share are the same.

(h) Fixed assets

Fixed assets are recorded at cost and are amortized at the following annual rates:

Computer equipment and software	30% declining balance
Office furniture and equipment	20% declining balance
Vehicles	30% declining balance
Leasehold improvements	2 years straight line

(i) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of expenditures during the reporting period. Significant items where management's judgement is applied include the assessment of impairment of long-lived assets, amortization, income tax provisions, contingent liabilities, and stock-based compensation, asset retirement obligations and fair value estimates. Actual results could differ from those estimates.

(j) Translation of foreign currencies

These consolidated financial statements are expressed in Canadian dollars. For integrated foreign operations, monetary assets and liabilities are translated at year end exchange rates and other assets and liabilities are translated at historical rates. Revenues, expenses and cash flows are translated at average exchange rates. Gains and losses on translation of monetary assets and monetary liabilities are charged to operations.

(k) Stock-based compensation

The fair values for all stock-based awards are estimated using the Black-Scholes model and recorded in operations over the period of vesting. The compensation cost related to stock options granted is recorded in operations or capitalized to mineral properties, as applicable.

Cash received on exercise of stock options is credited to share capital and the amount previously recognized in contributed surplus is reclassified to share capital.

(l) Financial instruments

The Company's financial instruments are comprised primarily of cash and cash equivalents, amounts receivable, amounts due to/from project partners, performance bonds, and accounts payable and accrued liabilities. All financial instruments are recognized initially at fair value. Held-for trading financial assets are measured at fair value with changes in fair value recognized in earnings. Available-for-sale financial assets are also measured at fair value with changes in fair value recognized in comprehensive income until the investment is derecognized or impaired, at which time the amounts in accumulated comprehensive income are recorded in earnings.

Cash and cash equivalents are accounted for as held for trading. Accounts receivable, amounts due to/from project partners, performance bonds and accounts payable and accrued liabilities are measured at amortized cost.

(m) New accounting pronouncements

In February 2008, the CICA issued new pronouncements in Section 3064, *Goodwill and Intangible Assets*, replacing Section 3062, *Goodwill and Other Intangible Assets* and Section 3450, *Research and Development Costs,* establishing revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and startup costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. Section 3064 was adopted September 1, 2009, and doing so has had no effect.

In July 2009, the CICA approved amendments to Section 3862, *Financial Instruments – Disclosures.* The amendments require additional fair value disclosure for financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making fair value assessments as follows:

- Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
- Level 3: Valuations based on significant inputs that are not derived from observable data, such as discounted cash flow methodologies based on internal cash flow forecasts.

There was no material impact upon adoption of this standard.

In January 2009, The CICA issued CICA Handbook Section 1582, Business Combinations, Section 1601, Consolidations, and Section 1602, Non-controlling Interests. These sections replace the former CICA Handbook Section 1581, Business Combinations and Section 1600, Consolidated Financial Statements and establish a new section for accounting for a non-controlling interest in a subsidiary. CICA Handbook Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. The section applies prospectively to business combinations for whic h the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

All three sections must be adopted concurrently. The Company is currently evaluating the impact of adopting the sections.

CICA Handbook Section 1625, has been amended as a result of issuing Sections, 1582 1601 and 1602. These amendments are effective for the Company for its interim and annual financial statements beginning after January 3, 2011. The Company is assessing the impact of these changes on its consolidated financial statements.

In June 2009, the CICA issued amendments to CICA Handbook Section 1506. It was amended to exclude from its scope changes in accounting policies upon the total replacement of an entity's primary basis of accounting relating to fiscal years beginning on or after July 1, 2009. The adoption of IFRS is not expected to qualify as an accounting change under Section 1506.

3. AMOUNTS RECEIVABLE

	Aug. 31, 2010	Aug. 31, 2009
Expenditure advances receivable	**$ 8,486**	$ 3,581
Due from related parties (Note 10 (d) and (e))	**36,089**	17,172
Goods and services tax recoverable	**126,803**	37,160
Receivable from sale of assets (Note 6(c))	**652,864**	-
South African value added tax ("VAT") recoverable	**444,736**	272,973
Interest receivable	**1,570**	13,652
	$ 1,270,548	$ 344,538

4. AVAILABLE-FOR-SALE SECURITIES

The Company sold all of its marketable securities during the year. At August 31, 2010 the Company has a $Nil balance in this account. These securities had been accounted for as available-for-sale at the previous year-end August 31, 2009 as follows:

August 31, 2009	**Number of Shares**	**Cost ($)**	**Accumulated Unrealized Gains ($)**	**Fair Value ($)**
MAG Silver Corp.	100,000	50,000	445,000	495,000
West Timmins Mining Inc.	800,001	160,000	1,480,002	1,640,002
Total Marketable Securities		210,000	1,925,002	2,135,002

On November 6, 2009 pursuant to an agreement between West Timmins Mining Inc. and Lake Shore Gold Corp., the Company exchanged its 800,001 shares in West Timmins Mining Inc. for common shares in Lake Shore Gold Corp. at a share exchange rate of 1 West Timmins share to each 0.73 share of Lake Shore Gold Corp. A gain of $2,100,080 was realized on the exchange of shares. In the second quarter of 2010 the Company sold its 584,000 shares of Lake Shore Gold Corp. realizing a further $44,080 gain on the sale of shares. $222,337 was allocated to AOCI from this sale.

During the year the Company sold 100,000 MAG Silver Corp. shares for a realized gain of $652,578. $66,413 was allocated to AOCI from this sale.

MAG Silver Corp. and West Timmins Mining Inc. are related parties of the Company, as discussed in Note 10.

5. MINERAL PROPERTIES

	Aug 31, 2010	Aug. 31, 2009
Projects 1 & 3 (a)	**$ 109,588,950**	-
Other mineral properties (b)	**6,437,564**	6,057,034
	$ 116,026,514	$ 6,057,034

a) Projects 1 & 3

On October 26, 2004 the Company entered into the WBJV with a subsidiary of Anglo Platinum Limited (“Anglo”) and Africa Wide Mineral Prospecting and Exploration (Pty) Limited (“Africa Wide”) to pursue platinum exploration and development on combined mineral rights covering approximately 67 square kilometres on the Western Bushveld Complex of South Africa. Later the total area of the WBJV became approximately 72 square kilometres through further property contributions by Anglo. The Company and Anglo Platinum each held a 37% working interest in the WBJV, while Africa Wide held a 26% working interest. The area of the WBJV was comprised of three functional areas described as Project 1 (100% WBJV), Project 2 (50% WBJV: 50% Wesizwe Platinum Ltd.) and Project 3 (100% WBJV). In April 2007 the shareholders of Africa Wide sold 100% of their company to Wesizwe Platinum Ltd (“Wesizwe”) and since then Wesizwe has become responsible for all of the rights and obligations of Africa Wide.

The Company published a Feasibility Study for Project 1 of the WBJV in July 2008 and later an Updated Feasibility Study in October 2009. Based on the WBJV resource estimate contained in the July 2008 Feasibility Study, and under the terms of the original WBJV agreement, each party was allocated an equalization amount due or payable based upon their contribution of measured, indicated, and inferred ounces of combined platinum, palladium, rhodium and gold ("4E") from their contributed properties. On April 22, 2010 the Company paid an equalization amount due to Anglo in the amount of $ 24.83 million (R 186.26 million).

Also on April 22, 2010, the partners of the WBJV completed a transaction first announced September 2, 2008 whereby the WBJV was dissolved and its underlying assets were reorganized with the following outcomes:

- Wesizwe acquired all of Anglo's rights and interests to the mineral rights underlying the WBJV, retained Anglo's mineral rights to Project 2, and then transferred all of Anglo's mineral rights underlying Projects 1 and 3 into project operating company Maseve. The Company also transferred its interests in the mineral rights underlying Project 1 into Maseve, the result being that Wesizwe retained 100% of Project 2 and that Maseve obtained 100% of Projects 1 and 3.
- In exchange for its 18.5% of Project 2 the Company effectively received a 17.75% interest in Maseve. The Company also received a 37% interest in exchange for its share of Projects 1 and 3, bringing its holdings in Maseve to 54.75%. Wesizwe received a 45.25 % initial interest in Maseve.
- The Company has a right to acquire a further 19.25% interest in Maseve for subscriptions in the amount of R 408.8 million (approx. $59.52 million as of November 22, 2010), thereby allowing the Company to increase its shareholding in Maseve to 74%. The subscription funds paid into Maseve by the Company will be held in escrow to be applied towards Wesizwe's capital requirements for Projects 1 and 3. The cash subscriptions into Maseve are due by January 17, 2011 or the Company will lose the right to increase its interest to 74%. The Company may make partial subscriptions if it so chooses.

Pursuant to the terms of the WBJV Agreement and the WBJV Restructuring, the Company agreed to reimburse Wesizwe for past exploration costs, not including overhead costs, related to Project 2. Based on information provided by Wesizwe, the Company has accrued an amount due to Wesizwe of R9.72 million (approximately Cdn$1.41 million as at November 22, 2010) against amounts due from Wesizwe for its share of costs related to the WBJV, resulting in a net payable of $443,614.

The sale of the Company's 18.5% interest in Project 2 was accounted for as an arm's length transaction at a fair value of $65.42 million on April 22, 2010, versus an historic cost of $19.80 million, for a gain of $45.62 million. The transfer of the Company's 37% interest in Projects 1 and 3 into Maseve was accounted for as a reorganization of existing business and was transferred into Maseve at book cost. The April 22, 2010 transactions qualified for relief from capital gains tax in accordance with South African tax law.

The fair value of the additional 17.25% interest in Maseve was estimated by calculating the net present value of Project 1 cash flows extracted from the updated feasibility study using independently validated consensus metal prices, a discount rate of 10%, and a Rand to $US exchange rate of 8:1. The fair values are highly sensitive to changes in the key assumptions.

The Company consolidated the financial statements of Maseve from the effective date of the reorganization. The portion of Maseve not owned by the Company and is accounted for as a non-controlling interest.

b) Other mineral properties

Year ended August 31, 2010

	South Africa							
	Tweespalk	War Springs	Other	LDI River	Shelby Lake	South Legris	Other	Total
Acquisition costs of mineral rights								
Balance, beginning of year	$ 59,995	$ 144,498	$ 3,321	$ 598,571	$ 313,864	$ 60,000	$ -	$ 1,180,249
Incurred during year	23,746	20,455	16,790	-	7,992	-	23,976	92,959
Balance, end of year	$ 83,741	$ 164,953	$ 20,111	$ 598,571	$ 321,856	$ 60,000	$ 23,976	$ 1,273,208
Deferred exploration costs								
Assays and geochemical	$ -	$ 120,284	$ 48,839	$ -	$ -	$ -	$ -	$ 169,123
Drilling	-	839,149	103,373	-	-	-	-	942,522
Geological	971	216,516	368,636	2,800	85,288	8,231	142,439	824,881
Maps, fees and licenses	-	-	-	-	-	-	-	-
Site administration	-	134,210	18,588	-	-	-	-	152,798
Travel	-	78,593	63,658	-	-	-	-	142,251
	971	1,388,752	603,094	2,800	85,288	8,231	142,439	2,231,575
Balance, beginning of year	892,135	2,271,260	632,011	363,755	563,687	153,937	-	4,876,785
Recoveries	-	(1,388,752)	(555,252)	-	-	-	-	(1,944,004)
Balance, end of year	$ 893,106	$ 2,271,260	$ 679,853	$ 366,555	$ 648,975	$ 162,168	$ 142,439	$ 5,164,356
Total Other Mineral Properties	$ 976,847	$ 2,436,213	$ 699,964	$ 965,126	$ 970,831	$ 222,168	$ 166,415	$ 6,437,564

Year ended August 31, 2009

	South Africa						
	Tweespalk	War Springs	Other	LDI River	Shelby Lake	South Legris	Total
Acquisition costs of mineral rights							
Balance, beginning of year	$ 52,037	$ 134,358	$ 2,692	$ 598,571	$ 313,864	$ 60,000	$ 1,161,522
Incurred during year	7,958	10,140	629	-	-	-	18,727
Less amounts written off	-	-	-	-	-	-	-
Balance, end of year	$ 59,995	$ 144,498	$ 3,321	$ 598,571	$ 313,864	$ 60,000	$ 1,180,249
Deferred exploration costs							
Assays and geochemical	$ -	$ 88,570	$ 14,539	$ 1,458	$ 2,453	$ 7,531	$ 114,551
Drilling	-	434,764	-	-	47,566	47,566	529,896
Geological	777	160,620	82,625	3,655	13,083	13,083	273,843
Maps, fees and licenses	-	-	-	-	67	-	67
Site administration	157	130,174	428	-	-	-	130,759
Travel	-	17,740	85	-	-	-	17,825
	934	831,868	97,677	5,113	63,169	68,180	1,066,941
Balance, beginning of year	891,201	2,235,318	573,552	358,642	500,518	85,757	4,644,988
Recoveries	-	(795,926)	(39,218)	-	-	-	(835,144)
Balance, end of year	$ 892,135	$ 2,271,260	$ 632,011	$ 363,755	$ 563,687	$ 153,937	$ 4,876,785
Total Mineral Properties	$ 952,130	$ 2,415,758	$ 635,332	$ 962,326	$ 877,551	$ 213,937	$ 6,057,034

(1) Republic of South Africa

(i) War Springs and Tweespalk

On June 3, 2002, the Company acquired an option to earn a 100% interest in the 2,396 hectare War Springs property and the 2,177 hectare Tweespalk property both located in the Northern Limb or Platreef area of the Bushveld Complex north of Johannesburg. The Company now holds New Order prospecting permits on 100% of this territory. Acquisition and exploration costs on these properties to August 31, 2010 total $3,413,060 (2009 - $3,367,888).

The Company can settle the vendors' residual interests in these mineral rights at any time for US$690 per hectare. The Company pays annual prospecting fees to the vendors of US$3.25 per hectare. The vendors retain a 1% NSR Royalty on the property, subject to the Company's right to purchase the NSR at any time for US$1.4 million. A 5% finders' fee applies to vendor payments.

Black Economic Empowerment groups Africa Wide, a subsidiary of Wesizwe Platinum Ltd. and Taung Minerals (Pty) Ltd., a subsidiary of Platmin Limited, have each acquired a 15% interest in the Company's rights to the War Springs project carried to bankable feasibility. The Company retains a net 70% project interest. Africa Wide also has a 30% participating interest in the Tweespalk property.

On March 5, 2009 the Company announced an agreement with the Japan Oil, Gas and Metals National Corporation ("JOGMEC"), an incorporated administrative institution of the Government of Japan, whereby they may earn up to a 35% interest in the Company's rights to the War Springs project for an optional work commitment of US$10 million over 5 years. Total expenditures incurred by JOGMEC to August 31, 2010 amounted to approximately $2,184,678 (2009 - $795,926). An amount of $186,416 in cash received from JOGMEC for work on this project remained to be spent at year end and was recorded as due to JOGMEC (2009 - $224,482 receivable from JOGMEC) as well as an amount for the Waterburg project which is stated below.

(ii) Other

During 2009 the Company acquired by staking various prospecting permits in South Africa including the Sable Joint Venture project area on the Western Limb of the Bushveld Complex west of Pretoria and the Waterberg project area on the far Northern Limb of the Bushveld Complex.

In October 2009 the Company entered an agreement with JOGMEC and Mnombo Wethu Consultants CC ("Mnombo") whereby JOGMEC may earn up to a 37% interest in the Waterberg project for an optional work commitment of US$3.2 million over 4 years, while at the same time in exchange for matching JOGMEC's expenditures on a 26/74 basis, Mnombo may earn a 26% interest in the project. If required the Company has agreed to loan Mnombo their first $87,838 in project funding and the Company and JOGMEC may assist Mnombo to acquire commercial loans to fund their ongoing requirements, or may choose to allow Mnombo to defer those costs against their share of future proceeds from the project. Total expenditures incurred by JOGMEC to August 31, 2010 amounted to approximately $555,252. An amount of $237,040 in cash received from JOGMEC for work on this project remained to be spent at year end and was recorded as due to JOGMEC as well as an amount for the Warsprings project which is stated above.

(2) Ontario, Canada

(i) Lac des Iles ("LDI") River

On May 5, 2000, the Company entered into an option agreement to acquire a 50% interest in the Lac des Iles River property located near Thunder Bay, Ontario in exchange for cash payments ($43,500 paid in total) and the completion of exploration expenditures. On October 6, 2006, the Company and the property vendors entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property subject only to underlying 2.0% Net Smelter Return Royalties. In settlement the Company made a one-time payment to the vendors of $50,000 in lieu of past and future exploration expenditure commitments not incurred.

(ii) South Legris

In April 2000, and later as amended in January 2005, the Company acquired an option to earn a 50% interest in the South Legris property located near Thunder Bay, Ontario in exchange for cash payments ($105,000 paid in total) and the completion of certain exploration expenditures. On October 13, 2006, the Company and the property vendors entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property subject only to underlying 2.0% Net Smelter Return Royalties. In settlement the Company made a one-time payment of $50,000 in lieu of past and future exploration expenditure commitments not incurred.

(iii) Shelby Lake

On June 28, 2000, the Company entered into an option agreement to earn up to 60% interest in the Shelby Lake property, located near Thunder Bay, Ontario in exchange for cash payments of $15,000 (paid), issue 30,303 shares (issued) and complete $500,000 in exploration expenditures over a four-year period. On October 18, 2006, the Company and the property vendor entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property for a one-time payment of $5,000 subject only to an underlying 2.0% Net Smelter Return Royalty, of which the Company may buy back one half for $500,000.

(iv) Other

The Company has staked other properties in the Lac des Isle camp and has paid $31,968 for staking these claims.

(3) Title to mineral properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

6. FIXED ASSETS

(a) Equipment, Leaseholds and Vehicles

	August 31, 2010		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment and software	**$ 512,682**	**$ 387,025**	**$ 125,657**
Leasehold improvements	**38,641**	**31,457**	**7,184**
Office furniture and equipment	**266,643**	**137,140**	**129,503**
Vehicles	**82,447**	**35,374**	**47,073**
	$ 900,413	**$ 590,996**	**$ 309,417**

	August 31, 2009		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment and software	$ 495,049	$ 337,386	$ 157,663
Leasehold improvements	38,642	28,423	10,219
Office furniture and equipment	257,445	112,977	144,468
Vehicles	85,818	33,089	52,729
	$ 876,954	$ 511,875	$ 365,079

(b) Surface Rights

In 2004 the Company acquired surface and mineral rights to 365.64 hectares of the farm Elandsfontein 102 JQ in exchange for total payments of approximately $1.4 million. The benefit of these rights became part of the WBJV under the original 2004 agreement. The Elandsfontein mineral titles were transferred to project operating company Maseve on April 22, 2010 while the surface rights, valued at half of the original acquisition cost (approx. $715,000), remain under title to the Company and a 45.25% credit of approximately $320,000 was applied to amounts due to/from Wesizwe in recognition of their attributable portion of the surface rights as at April 22, 2010.

During 2008 the Company purchased surface rights adjacent to the WBJV Project 1 deposit area measuring 216.27 hectares for Rand 8.0 million (approx. $1.10 million) and the Company also acquired surface rights directly over a portion of the WBJV Project 1 deposit area measuring 358.79 hectares for an amount of Rand 15.07 million plus legal and interest charges of Rand 621,214 for a total of Rand 15.69 (approx. $2.14 million). The rights to these two properties are to the benefit of the Company alone and are distinct from the 365.64 hectare Elandsfontein Farm described above.

On August 12, 2010 the Company (once again alone) acquired the option to purchase surface rights covering 1,713 hectares, including accommodation facilities and overlaying the area of the planned Project 1 Platinum Mine, for Rand 130.0 million ($18.80 million at the time). A non-refundable deposit of Rand 13.0 million (approx. $1.88 million at the time) was paid to the Vendor on August 26, 2010 and will be set against the final purchase amount. This deposit has been recorded in Surface Rights. The purchase price balance of Rand 117.0 million is subject to the grant of a mining authorization within one year of the deposit date. PTM may waive the condition precedent at any time. The Company can extend the option to purchase due date for a further year for a second Rand 13.0 million payment against the purchase price.

(c) Rock Winders

During 2008 the Company acquired two rock winders at a cost of R 16.6 million (approx. $2.3 million) for use on a possible shaft facility for Project 1 of the WBJV. Later designs excluded the use of winders and these winders have been held for sale and under title to the Company. On April 22, 2010 the Company applied a 45.25% credit for R7.51 million (approx. $1.08 million) to the amount due to/from Wesizwe in recognition of their attributable share of the winders on that date. During the year the Company sold one winder for US $1.28 million (approx. $1.30) of which a non-refundable deposit of 50% was received on June 23, 2010. Subsequent to the end of the year on November 17, 2010 the Company received the final payment.

7. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value

(b) Issued and outstanding

At August 31, 2010 there were 93,964,792 shares outstanding.

During the year ended August 31, 2010:

(i) 1,149,125 stock options were exercised for proceeds of $1,154,199.

During the year ended August 31, 2009:

(ii) the Company closed a brokered private placement on June 16, 2009 of 24,999,300 units for gross proceeds of $35,002,020 at a price of $1.40 per unit. Each unit consisted of one common share and one-half of one common share purchase warrant. Of the gross proceeds $29,713,103 was assigned to the common shares issued and $5,288,917 to the warrants. Each whole warrant entitles the holder to purchase one additional common share at an exercise price of $1.75 until December 16, 2010. The Company paid the underwriters a fee of $2,100,121 representing 6% of the aggregate gross proceeds of the offering. Other issue costs of $746,681 related to TSX and NYSE Alternext filing fees, underwriters' expenses and legal fees.

(iii) the Company closed a non-brokered private placement in October 2008 for $7,611,229 upon the issue of 4,910,470 common shares at a price of $1.55 per share. A finders' fee of $186,000 in cash and a further 60,000 shares at the offering price was paid in respect of certain of the subscriptions. Other issue costs of $117,148 related to TSX and NYSE Alternext filing fees and legal fees.

(iv) 196,650 stock options were exercised for proceeds of $281,640.

(c) Incentive stock options

The Company has entered into Incentive Stock Option Agreements ("Agreements") with directors, officers and employees. Under the terms of the Agreements, the exercise price of each option is set at a minimum, at the fair value of the common shares at the date of grant. Stock options granted to certain employees, directors and officers of the Company vest on average at an amount of 25% per six month period, while others vest immediately.

The following tables summarize the Company's outstanding stock options:

Exercise Price	Number Outstanding at August 31, 2010	Weighted Average Remaining Contractual Life (Years)	Number Exercisable at August 31, 2010
1.40	1,379,000	3.95	1,379,000
1.50	9,500	0.36	9,500
1.60	1,492,000	3.13	1,492,000
1.85	175,000	0.98	175,000
1.95	50,000	3.43	50,000
2.27	10,000	3.44	10,000
2.57	885,000	1.38	885,000
4.15	150,000	2.15	150,000
4.40	850,000	2.15	850,000
	5,000,500	2.77	5,000,500

The weighted average exercise price of the exercisable options at year end was $2.28.

		Number of Shares	Weighted Average Exercise Price
2008	Options outstanding at August 31,	3,857,875	2.56
	Granted	3,279,000	1.52
	Exercised	(196,650)	1.43
	Forfeited	(790,600)	2.54
2009	Options outstanding at August 31,	6,149,625	$ 2.04
	Granted	-	-
	Exercised	(1,149,125)	1.00
	Forfeited	-	-
2010	Options outstanding at August 31,	5,000,500	$ 2.28

During the year ended August 31, 2010 the Company granted no stock options (August 31, 2009 – 3,279,000). The Company recorded $164,895 ($137,600 expensed and $27,295 capitalized to the WBJV, not including gross up future income tax liability of $10,900 (August 31, 2009 - $165,460)) of compensation expense relating to stock options vested in this period (August 31, 2009 - $2,518,108 ($2,100,736 expensed and $417,371 capitalized to the WBJV)). Cash received from the exercise of stock options during the year ended August 31, 2010 totalled $1,154,199 (August 31, 2009 - $281,640).

The Company used the Black-Scholes model to determine the grant date fair value of stock options granted. The following weighted average assumptions were used in valuing stock options granted during the year ended August 31, 2009:

Risk-free interest rate	2.59
Expected life of options	3.21
Annualized volatility	77.97
Dividend rate	0.00%

(d) Share purchase warrants

During the year ended August 31, 2009, 12,537,150 purchase warrants were issued at $1.75 as a part of the placement on June 16, 2009 as described above. These warrants have an expiry date of December 16, 2010. None of the warrants had been exercised as of August 31, 2010. Subsequent to August 31, 2010, a total of 4,416,900 of these warrants were exercised. There are no other warrants outstanding.

8. CAPITAL RISK MANAGEMENT

The Company's objectives in managing its liquidity and capital are to safeguard the Company's ability to continue as a going concern and provide financial capacity to meet its strategic objectives. The capital structure of the Company consists of equity attributable to common shareholders, contributed surplus, accumulated other comprehensive income and accumulated deficit.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary based on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company does not currently declare or pay out dividends.

As at August 31, 2010, the Company does not have any long-term debt and is not subject to any externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and other price risks.

(a) Credit risk

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

(i) Trade credit risk

Total credit risk is limited to the carrying amount of amounts receivable.

(ii) Cash and cash equivalents

In order to manage credit and liquidity risk we invest only in term deposits with Canadian Chartered and South African banks that have maturities of three months or less. A South African Bank Rand account held in the United Kingdom is used for holding Rand denominations only, and is controlled entirely by PTM. Deposit limits are also established based on the type of investment, the counterparty and the credit rating.

(b) Liquidity risk

The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements and its exploration and development plans. The annual budget is approved by the Board of Directors.

Future exploration, development, mining, and processing of minerals from the Company's properties will require additional financing. The Company has no credit facilities in place at this time, although it is currently evaluating possible debt financing. The only other current source of funds available to the Company is the issuance of additional equity capital, which if available, may result in substantial dilution to existing shareholders. There is no assurance that such funding will be available to the Company, or that it will be obtained on terms favourable to the Company. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development, or production on any or all of the Company's properties, or even a loss of property interests.

(c) Currency risk

The Company's functional currency is the Canadian dollar, while its operations are in both Canada and South Africa; therefore the Company's net earnings (losses) and other comprehensive earnings (losses) are impacted by fluctuations in the value of foreign currencies in relation to the Canadian dollar. The Company's significant foreign currency exposures on financial instruments comprise cash and cash equivalents, performance bonds, accounts receivable, amounts due to Wesizwe, and accounts payable and accrued liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

The Company's net loss and other comprehensive loss are affected by changes in the exchange rate between its operating currencies and the Canadian dollar. At August 31, 2010, based on this exposure a 10% change in the Canadian dollar versus Rand foreign exchange rate would give rise to a change in income for the year presented of approximately $38,500. During the year, a large foreign exchange loss occurred due to the drop in the value of the Rand relative to the Canadian dollar immediately before an equalization payment was made in Rand to Anglo Platinum on April 22, 2010. The foreign exchange loss related to holding this money in Rand prior to this transaction was approximately $1 million. Under normal business operations, large amounts of cash are not held in Rand to reduce the currency risks to the Company.

(d) Interest rate risk

The Company's interest revenue earned on cash and cash equivalents and on short term investments is exposed to interest rate risk. At August 31, 2010, based on this exposure a 1% change in the average interest rate would give rise to an increase/decrease in the earnings for the year of approximately $24,000.

10. RELATED PARTY TRANSACTIONS

Transactions with related parties are as follows:

(a) During the year, $679,121 (2009 - $385,967, 2008 - $449,807) was paid to non-independent directors for salary, consulting and bonus. During the year, an additional $88,000 (2009 - $75,000, 2008 - $75,000) was paid to independent directors for annual and meeting fees. At August 31, 2010, $8,000 was included in accounts payable (2009 - $45,308, 2008 - $75,000).

(b) The Company received $64,347 (2009 - $135,895, 2008 - $135,895) during the year from MAG Silver Corp. ("MAG"), a company with three directors in common. Amounts receivable at the end of the year include an amount of $Nil (2009 - $4,408, 2008 - $1,819) due from MAG. MAG terminated its service agreement with the Company on December 31, 2009.

(c) During the year the Company accrued or received payments of $8,000 (2009 – $38,000, 2008 - $108,000) from West Timmins Mining Inc. ("WTM"), a company that had three directors in common and an officer in common, for administrative services. Amounts receivable at the end of the year includes an amount of $Nil (2009 - $12,768, 2008 - $997). This agreement was terminated at December 15, 2009 after the amalgamation by plan of arrangement between Lakeshore Gold Corp. and WTM in November 2009.

(d) During the year the Company accrued or received payments of $46,750 (2009 - $Nil, 2008 -$Nil) from West Kirkland Mining Inc. ("WKM"), a company with three directors in common, for administrative services. Amounts receivable at the end of the year includes an amount of $12,235 (2009 - $Nil, 2008 - $Nil).

(e) During the year the Company accrued or received payments of $59,500 (2009 - $Nil, 2008 - $Nil) from Nextraction Energy Corp. ("NE"), a company with three directors in common, for administrative services. Amounts receivable at the end of the period includes an amount of $23,854 (2009 - $Nil, 2008 -$Nil).

(f) The Company entered into an office lease agreement with Anthem Works Ltd. ("Anthem"), a company with a director in common in 2005. During the year ended August 31, 2010 the Company accrued or paid Anthem $86,879 under the office lease agreement (2009 - $86,849, 2008 - $88,382).

All amounts in Amounts receivable and Accounts payable owing to or from related parties are non-interest bearing with no specific terms of repayment.

These transactions are in the normal course of business and are measured at the exchange amount, which is the consideration established and agreed to by the noted parties.

11. CONTINGENCIES AND COMMITMENTS

The Company's remaining minimum payments under its office and equipment lease agreements in Canada and South Africa, which it has entered into for the years ending on August 31, are as follows:

August 31, 2011	32,179
August 31, 2012	1,694
	$ 33,873

12. SUPPLEMENTARY CASH FLOW INFORMATION

Net change in non-cash working capital

	Year Ended Aug. 31, 2010	Year Ended Aug. 31, 2009	Year Ended Aug. 31, 2008
Amounts receivable	$ (273,146)	$ (253,844)	$ 103,401
Prepaid expenses and other	(18,570)	41,263	(6,620)
Accounts payable	685,897	(142,720)	156,029
	$ 394,181	$ (355,301)	$ 252,810

13. SEGMENTED INFORMATION

The Company operates in one operating segment, that being exploration on mineral properties. Segmented information presented on a geographic basis follows:

Assets

	August 31, 2010	August 31, 2009
Canada	**$ 5,592,110**	$ 37,143,004
South Africa	**121,398,893**	29,927,793
	$ 126,991,003	$ 67,070,797

Substantially all of the Company's capital expenditures are made in the South African geographical segment.

Results of Operations

	Year Ended Aug. 31, 2010	Year Ended Aug. 31, 2009	Year Ended Aug. 31, 2008
Canada	**$ (1,980,397)**	$ (5,478,509)	$ (3,464,337)
South Africa	**28,640,571**	(1,484,875)	(1,622,252)
	$ 26,660,174	$ (6,963,384)	$ (5,086,589)

14. INCOME TAXES

The provision for income taxes reported differs from the amounts computed by applying statutory Canadian federal and provincial tax rates to the loss before tax provision due to the following:

	2010	2009	2008
Statutory tax rates	**29.00%**	30.17%	32.00%
Recovery of income taxes computed at statutory rates	**$ (11,960,605)**	$ 2,203,883	$ 1,775,959
Changes in valuation allowance	**(1,322,656)**	(864,210)	(683,415)
Effect of lower tax rates in foreign jurisdictions	**(429,460)**	(32,699)	(66,007)
Non-deductible expenses	**(334,692)**	(638,247)	(195,057)
Other	**(535,875)**	(350,717)	(405,531)
Future income tax (expense) recovery	**$ (14,583,288)**	$ 318,010	$ 425,949

The approximate tax effect of the temporary differences that gives rise to the Company's future income tax assets and liability are as follows:

	2010	2009
Future income tax assets		
Operating loss carryforwards	**$ 13,403,828**	$ 4,298,432
Fixed assets	**59,274**	55,063
Mineral properties	**270,235**	4,346,454
Share issuance costs	**486,782**	691,422
	14,220,119	9,391,371
Valuation allowance on future income tax assets	**(5,666,617)**	(8,647,412)
	$ 8,553,502	$ 743,959
Future income tax liability		
Investment in WBJV	-	(455,209)
Marketable securities	-	(288,750)
Mineral Properties	**(30,376,024)**	-
	$ (30,376,024)	$ (743,959)
	$ (21,822,522)	$ -

At August 31, 2010, the Company has unrecognized non-capital loss carry forwards available to offset future taxable income in Canada of $19 million, which expire at various dates from 2011 to 2030.

The above estimated future tax liability is based on management's determination of the tax basis of the WBJV versus the carrying amount for accounting purposes. The determination of these amounts and the resulting deferred tax liability remains subject to measurement uncertainty.

15. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

These consolidated financial statements have been prepared in accordance with Canadian GAAP, which differs in certain respects from US GAAP. The significant differences between Canadian and US GAAP affecting the Company's consolidated financial statements are summarized as follows:

Consolidated Balance Sheets

	Aug. 31, 2010	Aug. 31, 2009
	$	
Total assets under Canadian GAAP	126,991,003	$ 67,070,797
Decrease due to lower investment in WBJV (a)	-	(16,578,389)
Decrease in mineral properties due to expensing of exploration costs in WBJV (a)	(13,841,701)	-
Decrease in mineral properties due to expensing of exploration costs (b)	(5,164,356)	(4,876,785)
Decrease in mineral properties on reorganization of WBJV (c)	(8,088,816)	-
Total assets under US GAAP	$ 99,896,130	$ 45,615,623
Total liabilities under Canadian GAAP	$ 24,092,530	$ 861,041
Decrease in future income taxes on reorganization of WBJV (c)	(6,688,168)	-
Total liabilities under US GAAP	$ 17,404,362	$ 861,041
Non controlling interest under Canadian GAAP	$ 11,149,482	$ -
Decrease in non controlling interest on reorganization of the WBJV (c)	(5,823,079)	-
Non controlling interest under US GAAP	5,326,403	-
Shareholders' equity under Canadian GAAP	91,748,991	66,209,756
Cumulative mineral properties adjustment for WBJV (a)	(16,885,686)	(18,760,215)
Cumulative mineral properties adjustment (b)	(5,164,356)	(4,876,785)
Cumulative translation adjustment (a)	3,043,985	2,181,826
Cumulative changes on reorganization of WBJV (c)	4,422,431	-
Shareholders' equity under US GAAP	77,165,365	44,754,582
Total liabilities and shareholders' equity under US GAAP	$ 99,896,130	$ 45,615,623

Consolidated Statements of Operations

	Year ended August 31, 2010	Year ended August 31, 2009	Year ended August 31, 2008	Cumulative from March 16, 2000 to August 31, 2010 (unaudited)
Net income (loss) under Canadian GAAP	**$ 26,660,174**	$ (6,963,384)	(5,086,589)	$ (6,057,648)
Mineral property costs written off	**-**	-	-	4,101,556
Adjustment for exploration expenditures incurred in WBJV (a)	**-**	-	(5,881,821)	(18,470,466)
Increase in gain on sale of WBJV Project #2 (c)	**1,874,529**	-	-	1,874,529
Exploration expenditures (b)	**(287,571)**	(231,797)	(388,973)	(9,265,912)
Future income taxes - marketable securities (d)	**288,750**	(152,550)	(136,200)	-
Future income taxes - stock based compensation (e)	**-**	-	(289,749)	(1,427,844)
Difference in future income taxes due to reorganization of WBJV (c)	**4,422,431**			(9,754,733)
Other historical differences	**-**	-	-	673,605
Net income (loss) under US GAAP	**$ 32,958,313**	$ (7,347,731)	$ (11,783,332)	$ (38,326,913)
Basic income (loss) per common share under US GAAP	**$ 0.35**	$ (0.10)	$ (0.19)	
Diluted income (loss) per common share under US GAAP	**$ 0.35**	$ (0.10)	$ (0.19)	

Consolidated Statements of Cash Flows

	Year ended August 31, 2010	Year ended August 31, 2009	Year ended August 31, 2008	Cumulative from March 16, 2000 to August 31, 2010 (unaudited)
Operating activities				
Operating activities under Canadian GAAP	**$ (6,712,240)**	$ (5,418,738)	$ (4,547,428)	$ (28,787,361)
Deferred exploration (a)(b)	**(287,571)**	(231,797)	(7,594,871)	(27,682,528)
Operating activities under US GAAP	**$ (6,999,811)**	$ (5,650,535)	$ (12,142,299)	$ (56,469,889)
Financing activities				
Financing activities under Canadian and US GAAP	**$ 1,131,672**	$ 39,733,466	$ 2,232,359	$ 93,104,913
Investing activities				
Investing activities under Canadian GAAP	**$ (25,018,981)**	$ (3,128,914)	$ (8,574,127)	$ (61,951,416)
Deferred exploration (a)(b)	**287,571**	231,797	7,594,871	27,682,528
Investing activities under US GAAP	**$ (24,731,410)**	$ (2,897,117)	$ (979,256)	$ (34,268,888)
	(30,599,549)	**31,185,814**	**(10,889,196)**	**2,366,136** 14,668,867

(12,302,731)

(a) Investment in WBJV

Under Canadian and US GAAP the Company accounted for its working interest in the WBJV as an investment in the WBJV. Under Canadian GAAP these expenditures were capitalized to the investment in WBJV. Under US GAAP, exploration expenditures on mineral property costs can only be deferred subsequent to the establishment of mining reserves as defined under SEC regulations.

As disclosed in Note 5 the Company published a Feasibility Study for the WBJV late in the 2008 fiscal year. The study defined mining reserves and, as a consequence, exploration and development costs relating to this investment were deferred under US GAAP, subsequent to September 1, 2008. The carrying amount, however, is affected by foreign exchange translation.

(b) Exploration expenses

Canadian GAAP allows exploration costs to be capitalized during the search for a commercially mineable body of ore if the Company considers such costs to have the characteristics of fixed assets. Under US GAAP, exploration expenditures on mineral property costs can only be deferred subsequent to the establishment of mining reserves as defined under SEC regulations. For US GAAP purposes the Company has expensed exploration expenditures in the period incurred. The Company believes that these cash expenditures under US GAAP are also more appropriately classified as cash operating activities as they were funded by the Company in the respective periods.

(c) Reorganization of WBJV

On April 22, 2010, the partner of the WBJV completed a reorganization of the WBJV (refer to Note 5). Under U.S GAAP, the Company expensed exploration costs until September 1, 2008, resulting in cumulative differences between the carrying amount of the investment in WBJV between Canadian GAAP and U.S. GAAP. As a result of these differences, the accounting for the reorganization of the WBJV resulted in the following adjustments to reconcile from Canadian GAAP to U.S. GAAP:

- Gain on sale of WBJV Project #2
- Deferred income taxes arising on taxable temporary differences
- Non-controlling interest

(d) Comprehensive Income

Prior to September 1, 2007, the accounting for the Company's marketable securities was different under US GAAP compared with the accounting under Canadian GAAP. Effective September 1, 2007, the Company adopted CICA Section 3855, *Financial Instruments,* which requires financial instruments to be carried in the financial statements at fair value. The Company accounted for marketable securities as available for sale financial instruments and carried them at fair value which is consistent with US GAAP. However, the accounting for future income taxes with respect to the fair value adjustments is different under Canadian and US GAAP. Under Canadian GAAP, the Company recorded a future income tax liability of $288,750 with a corresponding amount recorded to accumulated other comprehensive income. Offsetting this, under Canadian GAAP the Company adjusted the valuation allowance for future income tax assets by $288,750 and recorded a future income tax recovery of $288,750 in the statement of operations. Under US GAAP, the adjustment to the valuation allowance would have been recorded to accumulated other comprehensive income. This amount was reversed in 2010 as the marketable securities were sold.

SFAS No. 130, *Reporting Comprehensive Income*, requires that an enterprise report, by major components and as a single total, the change in its net assets during the period from non-owner sources. The impact of SFAS No. 130 on the Company's financial statements is as follows:

	Year ended August 31, 2010	Year ended August 31, 2009	Year ended August 31, 2008
		$	$
Net income (loss) under US GAAP	**$ 32,958,313**	(7,347,731)	(11,783,332)
Other comprehensive income (loss):			
Unrealized gain on marketable securities	**-**	1,017,002	(966,001)
Realized gain on marketable securities	**(1,925,002)**	-	-
Translation adjustment	**58,378**	108,145	(76,208)
Comprehensive net income (loss) under US GAAP	**$ 31,091,689**	$ (6,222,584)	$ (12,825,541)

(e) Future income taxes on stock based compensation

Under Canadian GAAP an income tax recovery is recorded in the statement of operations when eligible stock based compensation is capitalized against an asset, with the corresponding entry recorded against the asset. However, under US GAAP, the Company expenses all exploration expenditure prior to establishing mining reserves, including stock based compensation (refer to note 16(a) above for further discussion). Therefore, any income tax recovery recorded under Canadian GAAP is derecognized for US GAAP purposes until mining reserves are established.

(f) Impact of Recent United States Accounting Pronouncements

(i) FASB Accounting Standard Codification ("ASC") No. 805, Business Combinations ("ASC 805")

ASC 805, *Business Combinations* improves the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial reports about a business combination and its effects. This Statement establishes principles and requirements for how the acquirer recognizes and measures the identifiable assets acquired, liabilities assumed, and any non-controlling interest in the acquiree; recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. This Statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008**.** This standard was a dopted and had no effect on the Company's financial statements.

(ii) FASB Accounting Standard Codification ("ASC") No. 810, Consolidation ("ASC 810")

In December 2007, the FASB issued ASC 810, " *Consolidation*". ASC 810 establishes accounting and reporting standards for the non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary. This Standard clarifies that a non-controlling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. ASC 810 changes the way the consolidated earnings (loss) statement is presented by requiring consolidated net earnings (loss) to be reported including the amounts attributable to both the parent interest and the non-controlling interest. The Standard requires disclosure on the face of the consolidated statement of operations of the amounts of consolidated net earnings (loss) attributable to the parent interest and to the non-controlling interest. ASC 810 is effective for fiscal periods, and interim periods within those fiscal years, beginning on or after December 15, 2008. The Company expects that the adoption of ASC 810 will not have significant effect on the Company's financial position, results of operations or cash flows.

(g) Development stage enterprise

The Company meets the definition of a development stage enterprise under Statement of Financial Accounting Standards (SFAS) No. 7, Accounting and Reporting by Development Stage Enterprises. The following additional disclosures are required under U.S. GAAP:

Consolidated summarized statements of operations and cash flows since March 16, 2000, the date the Company commenced operations.

Consolidated operations:

	Period from March 16, 2000 (inception) to August 31, 2010
Exploration expenditures incurred in WBJV	$ 18,470,466
Exploration expenditures	9,265,912
Gain on sale of WBJV Project #2	(47,494,273)
Change in FIT	9,060,857
General administrative, salaries and other	34,601,865
Ending deficit, August 31, 2010	$ 23,904,827

Consolidated cash flows:

	Period from March 16, 2000 (inception) to August 31, 2010
Operating activities	$ (56,469,889)
Investing activities	(34,268,888)
Financing activities	93,104,913
Cash and cash equivalents - August 31, 2010	$ 2,366,136

	Common shares without par value Amount	Obligation to issue shares	Flow-through special warrants Amount	Contributed surplus	Accumulated other comprehensive income	Deficit accumulated during exploration & development stage	Total shareholders' equity
Issued for cash	$ 89,000	$ -	$ 521,000	$ -	$ -	-	$ 610,000
Issued for mineral properties	-	20,000	-	-	-	-	20,000
Net Loss	-	-	-	-	-	(270,435)	(270,435)
Balance, August 31, 2000	89,000	20,000	521,000	-	-	(270,435)	359,565
Issued for cash	1,356,532	-	1,107,771	-	-	-	2,464,303
Issued upon exercise of share purchase warrants	1,100	-	-	-	-	-	1,100
Issued for mineral properties	57,050	(17,400)	-	-	-	-	39,650
Issued upon exercise of special warrants	521,000	-	(521,000)	-	-	-	-
Issued upon exercise of flow through special warrants	1,107,771	-	(1,107,771)	-	-	-	-
Stock options granted	-	-	-	1,250	-	-	1,250
Net loss	-	-	-	-	-	(960,202)	(960,202)
Balance at August 31, 2001	3,132,453	2,600	-	1,250	-	(1,230,637)	1,905,666
Issuance of common shares for cash	1,951,135	-	-	-	-	-	1,951,135
Issued for mineral properties	36,509	(2,600)	-	-	-	-	33,909
Issued to acquire New Millennium Metals	1,310,385	-	-	-	-	-	1,310,385
Unrealized loss on marketable securities	-	-	-	-	(18,450)	-	(18,450)
Stock options granted	-	-	-	428,747	-	-	428,747
Net loss	-	-	-	-	-	(2,466,754)	(2,466,754)
Balance at August 31, 2002	6,430,482	-	-	429,997	(18,450)	(3,697,391)	3,144,638
Issuance of flow-through common shares for cash	678,589	-	-	-	-	-	678,589
Issuance of common shares for cash	1,411,342	-	-	-	-	-	1,411,342
Issued on exercise of mineral property option	200,062	-	-	-	-	-	200,062
Issued on exercise of warrants	233,389	-	-	-	-	-	233,389
Issued on exercise of stock options	35,075	-	-	-	-	-	35,075
Issued for mineral properties	16,140	-	-	-	-	-	16,140
Unrealized gain (loss) on marketable securities	-	-	-	-	66,000	-	66,000
Stock options granted	-	-	-	(63,406)	-	-	(63,406)
Tax effect of flow-through shares issued	-	-	(177,203)	-	-	-	(177,203)
Net loss	-	-	-	-	-	(2,580,499)	(2,580,499)
Balance at August 31, 2003	9,005,079	-	(177,203)	366,591	47,550	(6,277,890)	2,964,127
Issuance of flow-through common shares for cash	1,267,200	-	-	-	-	-	1,267,200
Issuance of common shares for cash	3,226,590	-	-	-	-	-	3,226,590
Issued on exercise of warrants	1,428,406	-	-	-	-	-	1,428,406
Issued on exercise of stock options	59,200	-	-	-	-	-	59,200
Issued for mineral properties	3,600	-	-	-	-	-	3,600
Unrealized gain (loss) on marketable securities	-	-	-	-	262,072	-	262,072
Stock options granted	-	-	-	218,391	-	-	218,391
Tax effect of flow-through shares issued	-	-	(85,398)	-	-	-	(85,398)
Net loss	-	-	-	-	-	(4,766,913)	(4,766,913)
Balance at August 31, 2004	14,990,075	-	(262,601)	584,982	309,622	(11,044,803)	4,577,275
Issuance of flow-through common shares for cash	259,901	-	-	-	-	-	259,901
Issuance of common shares for cash	5,441,078	-	-	-	-	-	5,441,078
Issued on exercise of warrants	2,272,462	-	-	-	-	-	2,272,462
Issued on exercise of stock options	521,873	-	-	(13,022)	-	-	508,851
Issued for mineral properties	28,000	-	-	-	-	-	28,000
Unrealized gain (loss) on marketable securities	-	-	-	-	(289,000)	-	(289,000)
Stock options granted	-	-	-	109,434	-	-	109,434
Tax effect of flow-through shares issued	-	-	(52,061)	-	-	-	(52,061)
Net loss	-	-	-	-		(8,112,593)	(8,112,593)
Balance at August 31, 2005	23,513,389	-	(314,662)	681,394	20,622	(19,157,396)	4,743,347
Issuance of common shares for cash	14,898,656	-	-	-	-	-	14,898,656
Issued on exercise of warrants	1,181,305	-	-	-	-	-	1,181,305
Issued on exercise of stock options	165,418	-	-	(47,670)	-	-	117,748
Issued for mineral properties	40,000	-	-	-	-	-	40,000
Translation adjustment	-	-	-	-	(658,380)		(658,380)
Unrealized gain (loss) on marketable securities	-	-	-		333,375	-	333,375
Stock options granted	-	-	-	160,376	-	-	160,376
Tax effect of flow-through shares issued	-	-	(80,755)	-	-	-	(80,755)

Net loss	-	-	-	-	-	(8,537,460)	(8,537,460)
Balance, August 31, 2006	39,798,768	-	(395,417)	794,100	(304,383)	(27,694,856)	12,198,212
Issued on exercise of warrants	11,454,791	-	-	-	-	-	11,454,791
Issued on exercise of stock options	892,557	-	-	(266,982)	-	-	625,575
Issued for mineral properties net of costs	227,742	-	-	-	-	-	227,742
Unrealized loss on marketable securities					< P style="font-family: Verdana, 'Times New Roman'; font-size: 7pt; margin-top: 0px; margin-bottom: 0px; padding-left: 38.4px" align=right> 1,520,001		1,520,001
Stock options granted	-	-	-	1,487,660	-	-	1,487,660
Translation adjustment	-	-	-	-	196,444		196,444
Tax effect of flow-through shares issued	-	-	105,514	-	-	-	105,514
Net loss	-	-	-	-	-	(10,037,221)	(10,037,221)
Balance, August 31, 2007	52,373,858	-	(289,903)	2,014,778	1,412,062	(37,732,077)	17,778,718
Issued on exercise of warrants	1,487,500	-	-	-	-	-	1,487,500
Issued on exercise of stock options	1,334,748	-	-	(512,924)	-	-	821,824
Issued for mineral properties net of costs	163,236	-	-	-	-	-	163,236
Translation adjustment	-	-	-	-	(76,208)		(76,208)
Unrealized loss on marketable securities	-	-	-	-	(966,001)	-	(966,001)
Stock options granted	-	-	-	1,288,383	-	-	1,288,383
Net loss	-	-	-	-		(11,783,332)	(11,783,332)
Balance, August 31, 2008	55,359,342	-	(289,903)	2,790,237	369,853	(49,515,409)	8,714,120
Issuance of common shares for cash	34,174,382	-	-	5,288,917	-	-	39,463,299
Issued on exercise of stock options	411,592	-	-	(129,952)	-	-	281,640
Translation adjustment	-	-	-	-	108,145		108,145
Unrealized gain on marketable securities	-	-	-	-	1,017,002	-	1,017,002
Stock options granted	-	-	-	2,518,107	-	-	2,518,107
Net loss	-	-	-	-	-	(7,347,731)	(7,347,731)
Balance, August 31, 2009	89,945,316	-	(289,903)	10,467,309	1,495,000	(56,863,140)	44,754,582
Issued on exercise of stock options	1,848,807	-	-	(694,608)	-	-	1,154,199
Stock options granted	-	-	-	164,895	-	-	164,895
Translation adjustment	-	-	-	-	58,378	-	58,378
Realized gain on AFS securities transferred to income	-	-	-	-	(1,925,002)	-	(1,925,002)
Net Income	-	-	-	-	-	32,958,313	32,958,313
Balance, August 31, 2010	91,794,123	-	(289,903)	9,937,596	(371,624)	(23,904,827)	77,165,365

16. SUBSEQUENT EVENTS

The following events occurred subsequent to year end. These events and other non-material subsequent events may be mentioned elsewhere in these financial statements:

(a) Bought Deal Financing

On October 1, 2010 the Company announced a bought deal financing for 61.0 million shares at a price of $2.05 per share for gross proceeds of $125,050,000. The underwriters received a commission of 5.5% of the gross proceeds of the offering and were granted an over-allotment option for a further 15% of the shares issued under the offering, also at $2.05 per share.

On November 3, 2010 the Company announced that a further 9,150,000 shares were issued for gross proceeds of $18,757,500 pursuant to the full exercise of the over-allotment option described above. The underwriters also received a commission of 5.5% of the gross proceeds from the over-allotment exercise.

b) Warrant Exercises

Subsequent to year end 4,416,900 common share purchase warrants have been exercised at a price of $1.75 per share. A total of 12,537,150 common share purchase warrants were issued at $1.75 as a part of the placement on June 16, 2009 as described above at note 7. (d). These warrants have an expiry date of December 16, 2010. None of the warrants had been exercised as of August 31, 2010.

c) Options Exercises

Subsequent to year end 100,000 common share stock options have been exercised at $1.60 per share as well as 10,000 common share stock option exercised at $1.40 per share.

d) Options Grant

On November 26, 2010 the Company granted 2,952,500 incentive stock option at a price of $2.10 per share to Directors, Officers, and employees.



Platinum Group Metals Ltd.
(Exploration and Development Stage Company)
Supplementary Information and MD&A
For the year ended August 31, 2010

This Management's Discussion and Analysis is prepared as of November 29, 2010

A copy of this report will be provided to any shareholder who requests it.

NOTE REGARDING FORWARD -LOOKING STATEMENTS:

This report and the documents incorporated by reference herein contain "forward-looking statements" and forward-looking information (collectively, "Forward-looking statements") within the meaning of applicable Canadian and US securities legislation. All statements, other than statements of historical fact that address activities, events or developments that Platinum Group Metals Ltd. (the "Company", "Platinum Group" or "PTM") believes, expects or anticipates will, may, could or might occur in the future (including without limitation, statements regarding estimates and/or assumptions in respect of production, revenue, cash flows and costs, estimated project economics, mineral resource and mineral reserve estimates, potential mineralization, potential mineral resources and mineral reserves, projected timing of possible production, the Company's exploration and development plans and objectives with respect to its projects and the successful exercise of the Maseve Subscription Right (defined below) are forward-looking statements.

These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements in respect of capital costs, operating costs, production rate, grade per tonne and smelter recovery are based upon the estimates in the Updated Feasibility Study (defined below) and the forward-looking statements in respect of metal prices and exchange rate are based upon the three year trailing average prices and the assumptions contained in the Updated Feasibility Study.

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual events or results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual events or results were realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events of the Company to differ materially from current expectations include, among other things: metals price volatility; additional financing requirements; economic and political instability; the ability to obtain and maintain necessary permits; fluctuations in the relative values of the Canadian dollar as compared to the South African Rand and the United States dollar; the ability of the Company to purchase the necessary surface rights for its mineral properties; property title risks including defective title to mineral claims or property; the mineral exploration industry is extremely competitive; South African foreign exchange controls may limit repatriation of profits; the Company's designation as a "passive foreign investment company"; discrepancies between actual and estimated reserves and resources, between actual and estimated development and operating costs, between actual and estimated metallurgical recoveries and between estimated and actual production; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, South Africa or other countries in which the Company does or may carry out business in the future; success of exploration activities and permitting time lines; the speculative nature of mineral exploration, development and mining, including the risks of obtaining necessary licenses and permits; exploration, development and mining risks and the inherently dangerous nature of the mining industry, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, mine collapses, cave-ins or flooding and the risk of inadequate insurance or inability to obtain insurance to cover these r isks and other risks and uncertainties; the Company's limited experience with development-stage mining operations; the Company has a history of losses; most of the Company's properties contain no proven reserves; the ability of the Company to retain its key management employees; conflicts of interest; dilution through the exercise of outstanding options and warrants; share price volatility and no expectation of paying dividends; any disputes or disagreements with the Company's joint venture partners; socio-economic instability in South Africa or regionally; the Company's land in South Africa could be subject to land restitution claims; any adverse decision in respect of the Company's prospecting or future mining rights and projects in South Africa; the introduction of South African State royalties where the Company's current mineral reserves are located; and the other risks disclosed under the heading "Risk Factors" in the Company's annual information form dated November 29, 2010 which is available electronically at www.sedar.com.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

NOTE TO U.S. INVESTORS REGARDING RESOURCE ESTIMATES:

All resource estimates contained in this report have been prepared in accordance with National Instrument 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System in compliance with Canadian securities laws, which differ from the requirements of United States securities laws. Without limiting the foregoing, this report uses the terms "measured resources", "indicated resources" and "inferred resources". U.S. investors are advised that, while such terms are recognized and required by Canadian securities laws, the U.S. Securities and Exchange Commission ("SEC") does not recognize them. Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. U.S. investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher category. U.S. investors are cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Information concerning descriptions of mineralization and resources contained in this report may not be comparable to information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

Management Discussion and Analysis

This management discussion and analysis ("MD&A") of the Company focuses on the financial condition and results of operations of the Company for the three and twelve months ended August 31, 2010 and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended August 31, 2010 together with the notes thereto.

The Company prepares its financial statements in accordance with generally accepted accounting principles in Canada ("Canadian GAAP"). All dollar figures included therein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

1. DESCRIPTION OF BUSINESS

Platinum Group Metals Ltd. is a British Columbia corporation incorporated on February 18, 2002 by an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation. The Company is an exploration and development company conducting work primarily on mineral properties it has staked or acquired by way of option agreement in the Republic of South Africa and Ontario, Canada. The Company completed a definitive Feasibility Study in July 2008 and an Updated Feasibility Study in October 2009 with respect to Project 1 of what was then the Western Bushveld Joint Venture ("WBJV") in the Republic of South Africa. Included in each Study is a declaration of reserves at the time of publication.

On September 2, 2008, the Company announced an agreement in principle to consolidate and rationalize the ownership of the WBJV (the "WBJV Restructuring"). On December 9, 2008, the Company announced the execution of definitive agreements formalizing the earlier announcement. On April 22, 2010 the WBJV Restructuring was completed. The Company now holds its interests in Projects 1 and 3 through its shareholding of project operating company Maseve Investments 11 (Pty) Limited ("Maseve"). See further details below.

The Company defers all acquisition, exploration and development costs related to mineral properties. The recoverability of these amounts is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of the property, and any future profitable production; or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

2. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

a) Results of Operations

For the Three Months Ended August 31, 2010

For the three months ended August 31, 2010, the Company incurred a net loss of $4.14mil (2009 – $1.7mil) or $0.04 per share basic and diluted (2009 – $0.02). The Company earned interest revenue of $9,352 (2009 - $41,315) on cash held in bank accounts. Total expenses for the quarter were $1.9 million (2009 - $2.0 million) as the Company continues to focus on the exploration and development of its mineral interests and corporate development initiatives. General and administrative expenses totaled $1.9 million (2009 - $1.3 million). Professional fees during the quarter amounted to $782,401 (2009 - $355,875) including legal fees, accounting advisory fees and audit and review fees. All of these costs are higher than in the comparative period as the Company had been conducting negotiations, due diligence and drafting of agreements related to strategic options and the acquisition of surface rights. Management and consulting fees during the quarter were $209,014 (2009 - $343,096). Salaries and benefits expensed in the three months totalled $557,592 (2009 - $330,738). Shareholder relations expenses were $25,566 (2009 - $13,126) and travel expenses amounted to $86,914 (2009 - $87,323).

For the Twelve Months Ended August 31, 2010

Any reference to "period" hereafter refers to the 12 months ended August 31, 2010.

At August 31, 2010 the Company had cash and cash equivalents of $2.37 million as compared to $32.97 million on August 31, 2009. The decrease in cash during the year was due primarily to an equalization payment made to Anglo Platinum Limited ("Anglo Platinum" or "Anglo") on April 22, 2010 in the amount of $24.83 million. Accounts receivable at period end totaled $1.27 million (2009 - $344,538) being comprised mainly of an amount receivable on sale of equipment of $652,864 and value added taxes refundable in South Africa of $444,736 and in Canada of $126,803. Accounts payable at year end totaled $1.40 million (2009 - $861,041). Of this amount approximately $230,000 was payable against legal costs, $204,500 was due for advisory and consulting expenses, $187,000 was payable for accounting and tax consulting, and approximately $325,000 was payable for ongoing exploration expenses - much of which will be recoverable from joint venture partner Japan Oil, Gas and Minerals National Corporation ("JOGMEC").

At August 31, 2010 the Company owed $443,614 to WBJV empowerment partner Wesizwe Platinum Limited ("Wesizwe") for past expenditures on Project 2 of the WBJV, net of amounts due to/from Wesizwe for expenditures and items related to Projects 1 and 3. At August 31, 2010 the Company held amounts due to JOGMEC for advances against planned work on North Limb joint ventures in the amount of $423,456 (2009 – nil).

During the year the Company had income of $26.66 million (2009 – ($6.96 million) net loss) due primarily to the deemed sale for accounting purposes of the Company's 18.5% interest in Project 2 of the WBJV to Wesizwe on April 22, 2010 for a gain of $45.62 million. The Company has accrued a future income tax expense related to the deemed sale of $14.58 million. The accrual for future income tax expense is a non-cash item. The Company has determined that this transaction qualified for relief from current taxes payable in accordance with Section 42 of the South African Income Tax Act 58 of 1962. The Company also realized a gain of $2.80 million (2009 – nil) on the sale of marketable securities during the period.

Before a non-cash charge for stock based compensation of $137,600 (2009 - $2.10 million), and not including net interest earned of $442,142 (2009 - $139,548), general and administrative expenses totaled $7.65 million (2009 - $5.33 million). The increase in general and administrative expenses over the comparative period is explained for in part by a foreign exchange loss of $1.01 million (2009 - $322,833 gain) and professional fees of $1.99 million (2009 - $1.08 million). Professional fees include $1.38 million for legal fees, $394,212 for accounting advisory fees and $215,563 for audit and review fees. All of these costs are higher than in the comparative period as the Company had been conducting negotiations, due diligence and drafting of agreements related to strategic options. Management and consulting fees of $1.30 million (2009 - $1.11 million) were higher in the current year due to $306,154 in additional director and senior management fees. The amount of salaries and benefits expensed in the year was slightly higher at $1.89 million (2009 - $1.62 million). Offsetting some of these increased costs were decreased shareholder relations expenses of $166,116 (2009 - $299,397) and lower travel expenses of $416,670 (2009 - $568,413).

Apart from the realized gains described above and net interest of $442,142 (2009 - $139,548) earned on cash deposits during the year, the Company had no other significant revenues. In June 2009 the Company closed a brokered offering for net cash proceeds of $32.16 million. Proceeds of the June 2009 offering were primarily used to pay Anglo Platinum an equalization amount on April 22, 2010 of $24.83 million, for project expenditures and general working capital. In October 2010 the Company raised gross proceeds of $143.81 million on the issue of 70.15 million shares on a bought deal basis (the "Offering"). See item 6. "Liquidity and Capital Resources" below. The net proceeds received by the Company from the Offering were approximately $135.6 million.

During the year ended August 31, 2010 the Company incurred exploration, engineering and development costs for the Company's account of $935,407 for Projects 1 and 3 (2009 - $1.24 million). Total WBJV expenditures during the period by all WBJV partners amounted to $2.38 million (2009 - $2.35 million). After April 22, 2010 the WBJV was dissolved and expenditures related to Projects 1 and 3 were conducted by the Company's 54.75% owned operating subsidiary Maseve. See further details below.

Total global exploration expenditures by the Company during the year, excluding the WBJV, totaled $2.23 million (2009 - $1.07 million). Expenditures in South Africa amounted to $1.99 million (2009 - $930,479) and in Canada to $238,758 (2009 - $136,462). From the amounts incurred in South Africa, cost recoveries in the amount of $1.94 million (2009 -$835,144) were received from JOGMEC, leaving net global expenditures by the Company during the year of $1.22 million (2009 - $1.47 million) which included the Company's WBJV expenditures.

On April 22, 2010 the Company paid an equalization amount due to Anglo of R 186.28 million (approx. $24.83 million) as required under the terms of the original 2004 agreement amongst the parties to the WBJV (the "WBJV Agreement"). On the same date the Company then completed a transaction originally announced September 2, 2008 with Anglo and Wesizwe whereby the WBJV was dissolved. At the same moment Wesizwe acquired all of Anglo's rights and interests to the mineral rights underlying the WBJV, retained Anglo's mineral rights to Project 2, and then transferred all the mineral rights underlying Projects 1 and 3 into project operating company Maseve. The Company also transferred its interests in the mineral rights underlying Project 1 into Maseve, the result being that Wesizwe retained 100% of Project 2 and that Maseve obtained 100% of Projects 1 and 3. In exchange for the rescission of its 18.5% of Project 2 within the WBJV the Company effectively received a 17.75% interest in Maseve. The Company also received a 37% interest in Maseve in exchange for its share of Projects 1 and 3, bringing its holdings in Maseve to 54.75%. Wesizwe received a 45.25% initial interest in Masev e. The Company has a right to acquire a further 19.25% interest in Maseve for subscriptions (the "Maseve Subscription Right") in the amount of R 408.8 million (approx. $58.50 million as of November 26, 2010), thereby allowing the Company to increase its shareholding in Maseve to 74%. The subscription funds paid into Maseve by the Company will be held in escrow to be applied towards Wesizwe's capital requirements for Projects 1 and 3. The cash subscriptions into Maseve are due by January 17, 2011 or the Company will lose the right to increase its interest to 74%. The Company intends to exercise the Maseve Subscription Right by January 17, 2011.

Under Canadian GAAP the rescission of the Company's 18.5% interest in Project 2 was accounted for as an arm's length sale transaction at fair market value on April 22, 2010. The transfer of the Company's 37% interest in Projects 1 and 3 was accounted for as a continuity of interests and was transferred into Maseve at book cost.

Activities for Projects 1 and 3 during the period included research and data review, prospecting, mapping, detailed engineering, drilling of project areas, geophysical studies, geotechnical work, metallurgical studies and mine plan and scheduling work. The Company has paid the South African power utility Company (ESKOM) deposits against their work to design infrastructure for the delivery of construction power and commercial production power to the property.

An Updated Feasibility Study and revised resource estimation for the Project 1 area of the WBJV was announced October 8, 2009 entitled "Technical Report (Updated Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)" and was filed by the Company on www.sedar.com on November 25, 2009. Results of the Updated Feasibility Study estimated 275,000 ounces of 4E (platinum, palladium, rhodium and gold) per year steady state and show a 23.54% Internal Rate of Return (pre-tax) Base Case, using 3 year trailing metal prices to September 2009, calculated on the monthly averages including US$1,343 per ounce for platinum. The Updated Feasibility Study model includes an escalation factor for construction costs, but does not include escalation due to inflation of operating costs or metal prices.

Details of the Company's Revised Attributable Reserves and Resources from the Updated Feasibility Study are shown below at Item 2d. "Exploration Programs and Expenditures".

The Company maintains three projects in South Africa on the North Limb of the Bushveld Complex; Tweespalk, Waterberg and War Springs. The Tweespalk property is currently being reviewed. During 2008 the Company conducted soil and geological surveys on the War Springs project. On March 17, 2008 the Company published a revised and updated resource calculation for the War Springs project based on drilling and exploration work conducted in the previous three years. (See Item 2d. "Exploration Programs and Expenditures" below).

On March 5, 2009 the Company announced an agreement with JOGMEC, an incorporated administrative institution of the Government of Japan, whereby they may earn up to a 35% interest in the Company's rights to the War Springs project for an optional work commitment of US$10 million over 5 years. The first and second year JOGMEC option commitments of US$1.5 million have been completed with approximately 12,397 metres drilled to March 31, 2010. Total expenditures incurred by JOGMEC to August 31, 2010 amounted to approximately $2.18 million. Further work programs for War Springs to be funded by JOGMEC in 2010 have been approved and are currently being planned.

In October 2009 the Company entered an agreement with JOGMEC and empowerment company Mnombo Wethu Consultants CC ("Mnombo") whereby JOGMEC may earn up to a 37% interest in the Waterberg project for an optional work commitment of US$3.2 million over 4 years, while at the same time in exchange for matching JOGMEC's expenditures on a 26/74 basis, Mnombo may earn a 26% interest in the project. If required the Company has agreed to loan Mnombo their first $87,838 in project funding and the Company and JOGMEC may assist Mnombo to acquire commercial loans to fund their ongoing requirements, or may choose to allow Mnombo to defer those costs against their share of future proceeds from the project. Total expenditures incurred by JOGMEC to August 31, 2010 amounted to approximately $555,252. An amount of $237,040 was due to JOGMEC at year end. Exploration work consisted of geophysical surveys, ground mapping and compilation of existing data as well as drilling. Further work has been approved by JOGMEC.

Project funding provided by JOGMEC is treated as a reduction in costs reported by the Company.

The Company conducted work programs on its Canadian projects during the years ended August 31, 2008 and 2009 and in the period ended August 31, 2010. A 1,125 metre drill program was completed on the Company's Lac Des Iles project in the first quarter of 2008 and a further 978 metres was completed in February of 2009. In the year ended August 31, 2010 the Company incurred $238,758 in geophysical and other ground based work in the Thunder Bay area. The Company maintains a large mineral rights position in the Lac des Iles area north of Thunder Bay as a strategic holding against potentially increasing prices for palladium and platinum. Encouraging exploration results for palladium, platinum, nickel and copper continue to be returned and the Company plans to invest further in this area in the future.

For more information about the former WBJV, the Company's Projects 1 and 3 and the Company's other mineral properties, please refer to Notes 5. of the Company's August 31, 2010 audited financial statements and below.

The Company's complement of staff, consultants and casual workers consists of approximately 30 individuals at present. Office space and support services in Canada and South Africa are being maintained at similar levels in 2010 as compared to 2009.

The Company still actively reviews many potential property acquisitions in the normal course of business. The Company also makes efforts to raise its profile and liquidity in the capital markets.

The following tables set forth selected financial data from the Company's annual audited financial statements and should be read in conjunction with those financial statements:

	Year ended Aug 31, 2010	Year ended Aug 31, 2009	Year ended Aug. 31, 2008
Interest income	$442,142 (1)	$139,548	$243,339
Net Income (Loss)	$26,660,174 (2)	($6,963,384)	($5,086,589)
Basic Earnings (Loss) per Share	$0.29 (3)	($0.10)	($0.08)
Diluted Earnings (Loss) per Share	$0.28 (3)	($0.10)	($0.08)
Total Assets	$126,991,003 (4)	$67,070,797	$32,492,583
Long Term Debt	Nil	Nil	Nil
Dividends	Nil	Nil	Nil

Explanatory Notes:

(1) The Company's only significant source of revenue during the years ending August 31, 2008 to 2010 was interest revenue from interest bearing accounts held by the Company. The amount of interest earned correlates directly to the interest rate at the time and the amount of cash on hand during the year referenced.

(2) During the year ended August 31, 2010 the Company had net income of $26.66 million. The current year's income arises from a gain of $2.80 million from selling marketable securities and $45.62 million on the deemed sale for accounting purposes of an 18.5% interest in Project 2 of what was the WBJV. There is also an $14.58 million future income tax associated with this gain. The Company's net loss during the year ending August 31, 2009 was higher than in 2008 due to several factors. Compensation expense totalled $1.89 million in 2010 and $1.62 million in 2009 as opposed to $1.35 million in 2008. Another factor is the stock compensation expense which totalled $137,600 in 2010 and $2.1 million in 2009 as opposed to $580,128 in 2008. If one removes the effect of these factors from each fiscal year the recorded annual loss is $5.15 million in 2010; $3.25 million for 2009, and $3.16 million for 2008. The remaining general and administrative costs are higher in 2010 than in 2009 and 2008 except for travel expenses and shareholder relations. The Company also had a $1.34 million increase in foreign exchange loss when comparing 2010 to 2009 and a $360,173 increase in foreign exchange gains when comparing 2009 to 2008. The Company had a foreign exchange loss of $37,340 in 2008 to a $322,833 gain in 2009, and then back to $1,013,115 loss in 2010.

(3) Basic earnings (loss) per common share are calculated using the weighted average number of common shares outstanding. The Company uses the treasury stock method for the calculation of diluted earnings per share. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. In periods when a loss is incurred, the effect of potential issuances of shares under options and share purchase warrants would be anti-dilutive, and accordingly basic and diluted loss per share are the same.

(4) Total assets had been increasing year-on-year primarily as a result of the Company's cash balance and continued investment in mineral properties funded by completion of private placement equity financings. At August 31, 2010 the Company held $2.37 million (2009 - $32.97 million; 2008 - $1.78 million) in cash and cash equivalents. The Company's cash balance at August 31, 2010 was much lower than 2009 but similar to 2008 as it did not complete any equity financings during 2008 and 2010.

The following table sets forth selected quarterly financial information for each of the last eight quarters.

Quarter Ending	Interest & Other Income[1]	Net Gain (Loss) [2]	Net Basic (Loss) Earnings per Share
August 31, 2010	$9,352	($4,140,280)	($0.04)
May 31, 2010	$220,145	$31,183,948	$0.33
February 28, 2010	$177,201	($975,747)	($0.01)
November 30, 2009	$35,444	$592,253	$0.01
August 31, 2009	$41,315	($1,718,457)	($0.02)
May 31, 2009	$73,959	($1,478,807)	($0.02)
February 28, 2009	$24,172	($1,665,682)	($0.03)
November 30, 2008	$102	($2,100,438)	($0.03)

Explanatory Notes:

(1) The Company's primary source of revenue during the quarters listed above was interest revenue from interest bearing accounts held by the Company. The amount of interest revenue earned correlates directly to the amount of cash on hand during the period referenced.

(2) Net gains (losses) by quarter are often materially affected by the timing and recognition of large non-cash income, expenses or write-offs. Although there was not any in the quarter ended August 31, 2010 the quarter ended May 31, 2010 included a non-cash realized gain for the deemed sale for accounting purposes of the Company's 18.5% interest in Project 2 of the WBJV at an estimated fair market value of $45.62 million and a future income tax expense accrual for $14.58 million. In the quarter ended February 28, 2010 there were no non-cash income, expenses or write-offs but for example, the quarter ended November 30, 2009 includes a non-cash charge for stock based compensation in the amount of $137,600, and a non-cash gain realized on marketable securities of $2.1 million. The quarter ended August 31, 2009 includes a non-cash charge for stock based compensation in the amount of $705,750, the quarter ended May 31, 2009 includes a non-cash charge for stock based compensation in the amount of $219,535, the quarter ended February 28, 2009 includes a non-cash charge for stock based compensation in the amount of $373,042, the quarter ended November 30, 2008 includes a non-cash charge for stock based compensation in the amount of $802,409. After adjusting these non-cash charges, the results for the quarters listed show a more consistent trend, with a general growth in expenses over time that is consistent with the Company's increased exploration and corporate activities over the past two years as described above at "Discussion of Operations and Financial Condition".

The Company has not declared nor paid dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

b) Trend Information

Other than the financial obligations as set out in the table provided at Item 6. below, there are no demands or commitments that will result in, or that are reasonably likely to result in, the Company's liquidity either increasing or decreasing at present or in the foreseeable future. The Company will require additional capital in the future to meet both its contractual and non-contractual project related expenditures as set out in the table at Item 6. It is unlikely that the Company will generate sufficient operating cash flow to meet all of these expenditures in the foreseeable future. Accordingly, the Company will need to raise additional capital by issuance of securities or by a sale or partnering of project interests in order to meet its ongoing cash requirements. See discussions at item 2. a) "Results of Operations" above and at item 6. "Liquidity and Capital Resou rces" below. The Company has completed a Feasibility Study for the Project 1 area of the WBJV. If a production decision is taken the Company will pursue both equity and debt financing for its share of the capital requirements for that project.

c) Risk Factors

The Company's securities should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in the Company's Canadian and U.S. regulatory filings prior to making an investment in the Company. For a discussion of risk factors applicable to the Company, see the section entitled "Risk Factors" in the Company's most recent annual information form filed with Canadian provincial securities regulators, which was also filed as part of the Company's most recent annual report on Form 40-F with the U.S. Securities & Exchange Commission. Without limiting the foregoing, the following risk factors should be given special consideration when evaluating an investment in the Company's securities.

General

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity and/or quality to return a profit from production.

Additional Funding May be Required

The Company may not have sufficient cash resources on hand to meet all of the Company's future financial requirements relating to the exploration, development and operation of the Company's projects. The Company may require additional financing from external sources, such as joint ventures, debt financing or equity financing, in order to meet such requirements and carry out the future development of the Company's projects and external growth opportunities. The success and the pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions at that time. There can be no assurance that such financing will be available to the Company or, if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, this may have a depressive effect on the price of the Company's securities and the interests of shareholders in the net assets of the Company may be diluted. Any failure by the Company to obtain required financing on acceptable terms could cause the Company to delay development of its material projects and could have a material adverse effect on the Company' s financial condition, results of operations and liquidity.

Metal prices affect the success of the Company's business

Metal prices have historically been subject to significant price fluctuations over the last two year period. No assurance may be given that metal prices will remain stable. Significant price fluctuations over short periods of time may be generated by numerous factors beyond the control of the Company, including domestic and international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increases or decreases in production due to improved mining and production methods. Significant or continued reductions or volatility in metal prices may have an adverse effect on the Company's business, including the amount of the Company's reserves, the economic attractiveness of the Company's projects, the Company's ability to obtain financing and develop proj ects and, if the Company's projects enter the production phase, the amount of the Company's revenues or profit or loss.

The Company's business is subject to exploration and development risks

With the exception of Project 1, all of the Company's properties are in the exploration stage and no known reserves have been discovered on such properties. At this stage, favourable drilling results, estimates and studies are subject to a number of risks, including:

- the limited amount of drilling and testing completed to date;
- the preliminary nature of any operating and capital cost estimates;
- the difficulties inherent in scaling up operations and achieving expected metallurgical recoveries;
- the likelihood of cost estimates increasing in the future; and
- the possibility of difficulties procuring needed supplies of electrical power and water.

There is no certainty that the expenditures to be made by the Company or by its joint venture partners in the exploration of the properties described herein will result in discoveries of precious metals in commercial quantities or that any of the Company's properties will be developed. Most exploration projects do not result in the discovery of precious metals and no assurance can be given that any particular level of recovery of precious metals will in fact be realized or that any identified resource will ever qualify as a commercially mineable (or viable) resource which can be legally and economically exploited. The resource and reserve estimates contained herein have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permit regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade and/or quantity of precious metals ultimately recovered may differ from that indicated by drilling results. There can be no assurance that precious metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. Extended declines in market prices f or platinum, palladium, rhodium and gold may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition. Amendments to the mine plans and production profiles may be required as the amount of resources changes or upon receipt of further information during the implementation phase of the project.

The Company requires various permits in order to conduct its current and anticipated future operations, and delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company

The Company's current and anticipated future operations, including further exploration, development activities and commencement of production on the Company's properties, require permits from various South African national, provincial, territorial and local governmental authorities. In particular, the Company must obtain a mining right for Project 1 and an Environmental Impact Assessment must be completed. Although it is probable that the Company will be granted a mining right, there can be no absolute assurance that all licenses and permits which the Company requires for the construction of mining facilities and the conduct of mining operations will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such licenses and permits, or a failure to comply with the terms of any such licenses and permits that the Company has obtained, could have a materia l adverse impact on the Company.

The Company is subject to the risk of fluctuations in the relative values of the Canadian Dollar as compared to the South African Rand and the United States Dollar

The Company may be adversely affected by foreign currency fluctuations. The Company is primarily funded through equity investments into the Company denominated in Canadian Dollars. In the normal course of business the Company enters into transactions for the purchase of supplies and services denominated in South African Rand. The Company also has cash and certain liabilities denominated in South African Rand. Several of the Company's options to acquire properties or surface rights in the Republic of South Africa may result in payments by the Company denominated in South African Rand or in U.S. Dollars. Exploration, development and administrative costs to be funded by the Company in South Africa will also be denominated in South African Rand. Fluctuations in the exchange rates between the Canadian Dollar and the South African Rand or U.S. Dollar may have an adverse or positive affect on the Company.

Not all of the Surface Rights for Project 1 have been purchased

The Company has purchased or acquired a right to purchase approximately 2,655 hectares (6,560 acres) of contiguous surface rights over the area where all of the proposed infrastructure will be located as designed in the Updated Feasibility Study. The Company owns approximately 942 hectares outright and has paid a 10% deposit of R13.0 million (approx. $1.85 million) on the purchase of approximately 1,713 hectares, including significant surface facilities. The 100%-owned areas comprising approximately 942 hectares do not all overlay the Company's mineral rights and do not overlay the main area where the proposed infrastructure will be located and they have not been tested for geotechnical suitability. Amendments to the mine plan, capital and operating cost estimates that would be required to relocate the mine infrastructure to these properties have not been undertaken. An allowance for the cost of purchasing surface rights was included in the Updated Feasibility Study. The failure to complete the purchase the 1,713 hectare property described above will likely increase the costs of developing Project 1 and it may prevent or delay the development of Project 1.

The mineral exploration industry is extremely competitive

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies that possess greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable new producing properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel.

South African foreign exchange controls may limit repatriation of profits

Loan capital or equity capital may be introduced into South Africa through a formal system of exchange control. Proceeds from the sale of assets in South Africa owned by a non-resident are remittable to the non-resident. Approved loan capital is generally remittable to a non-resident company from business profits. Dividends declared by a non-listed South African company are remittable to non-resident shareholders. However, there can be no assurance that restrictions on repatriation of earnings from the Republic of South Africa will not be imposed in the future.

Judgments based upon the civil liability provisions of the United States federal securities laws may be difficult to enforce

The ability of investors to enforce judgments of United States courts based upon the civil liability provisions of the United States federal securities laws against the Company and its directors and officers may be limited due to the fact that a majority of these persons reside outside of the United States and, in respect of the Company's directors and officers, their assets are located outside the United States. There is uncertainty as to whether Canadian courts would: (i) enforce judgments of United States courts obtained against the Company or its directors and officers predicated upon the civil liability provisions of the United States federal securities laws, or (ii) entertain original actions brought in Canadian courts against the Company or such persons predicated upon the federal securities laws of the United States, as such laws may conflict with Canadian laws. In Canada, civil rights are within the legislative jurisdiction of the Provinces and Territories. The Province of British Columbia, in which the Company and all of its directors and officers are resident, does not have laws for the reciprocal enforcement of judgments of United States courts.

The Company is subject to significant governmental regulation

The Company's operations and exploration and development activities in South Africa and Canada are subject to extensive federal, state, provincial, territorial and local laws and regulation governing various matters, including:

- environmental protection;
- management and use of toxic substances and explosives;
- management of natural resources;
- exploration, development of mines, production and post-closure reclamation;
- exports;
- price controls;
- taxation;
- regulations concerning business dealings with local communities;
- labour standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in the Company incurring significant expenditures. The Company may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or a more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of the Company's properties.

The Company's operations are subject to environmental laws and regulation that may increase the Company's costs of doing business and restrict its operations

Environmental legislation on a global basis is evolving in a manner that will ensure stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed development and a higher level of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes to environmental legislation in Canada or South Africa will not adversely affect the Company's operations. Environmental hazards may exist on the Company's properties which are unknown at present and which have been caused by previous or existing owners or operators. Furthermore, future compliance with environmental reclamation, closure and other requirements may involve significant costs and other liabilities. In particular, the Company's operations and exploration activities are subject to Canadian and South African national and provincial laws and regulations governing protection of the environment. Such laws are continually changing and, in general, are becoming more restrictive.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

The Company has not made any material expenditure for environmental compliance to date. However, there can be no assurance that environmental laws will not give rise to significant financial obligations in the future and such obligations could have a material adverse affect on the Company's financial performance.

Mining is inherently dangerous and subject to conditions or events beyond the Company's control, which could have a material adverse effect on the Company's business

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fire, flooding and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company's securities.

The Company has limited experience with development-stage mining operations

Although there are personnel within the Company who have experience with development stage mining operations, the Company's ability to place projects into production will be dependent upon using the services of both mining contractors and additional appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available the necessary expertise when and if the Company places its mineral properties into production.

The Company has a history of losses and it anticipates continuing to incur losses for the foreseeable future

The Company has a history of losses including net losses of $6,963,384 in the year ended August 31, 2009; $5,086,589 in the year ended August 31, 2008; and $6,758,123 in the year ended August 31, 2007. At August 31, 2009 the Company had an accumulated deficit of $34,218,900 while at August 31, 2008, the accumulated deficit was $27,255,516 and at August 31, 2007 the accumulated deficit was $22,168,927. The Company anticipates continued losses for the foreseeable future until it can successfully place one or more of its properties into commercial production on a profitable basis.

The Company has a lack of cash flow, which may affect its ability to continue as a going concern. It is an exploration and development company with a history of losses and no history of revenues from its operations. None of the Company's properties are currently in production, and although the Updated Feasibility Study indicates a positive economic model for Project 1, there is no certainty that the Company will succeed in placing that project into production in the near future, if at all. During the year ended August 31, 2009 the Company had a loss of $6,963,384. During the year ended August 31, 2008, the Company had a loss of $5,086,589 and for 2007 a loss of $6,758,123. The Company used $5,418,738 in cash for operating activities in 2009 and used $4,547,428 for that purpose in 2008 and $3,682,561 in 2007. The Company used $3,128,914 for investing activities in 2009, $8,574,127 in 2008 and $5,771,234 in 2007. Historically, the only source of funds available to the Company has been through the sale of its equity securities and minor cost recoveries.

The Company's continuing operations and the recoverability of the amounts capitalized for mineral properties in its consolidated financial statements, prepared in accordance with Canadian GAAP, is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay the Company's liabilities arising from normal business operations when they become due. External financing, predominately by the issuance of equity to the public, will be sought to finance the Company's operations; however, there is no assurance that sufficient funds will be raised.

Most of the Company's properties contain no known reserves

Project 1 contains mineral reserves. The remaining properties are in the exploration stage meaning that the Company has not determined whether such properties contain mineral reserves that are economically recoverable. Failure to discover economically recoverable reserves on a mineral property will require it to write-off the costs capitalized for that property in its Canadian GAAP financial statements. At August 31, 2009 deferred acquisition, exploration and development costs related to all of the Company's mineral property interests outside of the WBC Project totalled $6,057,034 (2008 - $5,806,510 and 2007 - $5,375,656).

The Company depends on its key management employees

The Company's development to date has depended, and in the future will continue to depend, on the efforts of its key management figures: R. Michael Jones, the Company's President, CEO and director; Frank R. Hallam, the Company's CFO and director; and Peter Busse, the Company's Chief Operating Officer. The loss of any of the Company's key management figures could have a material adverse effect on it. The Company has entered into contracts with the named directors, officers and employees. It does not maintain key man insurance on any of its management.

The Company's directors may be associated with other mineral resource companies

Certain of the Company's officers and directors may become associated with other natural resource companies that acquire interests in mineral properties. R. Michael Jones, the Company's President, CEO and director is also a director of West Kirkland Mining Inc. ("**WKM**"), a public company with mineral exploration properties in Ontario and Nevada, a director of MAG Silver Corp. ("**MAG Silver**"), a public company with silver properties in Mexico, and a director of Nextraction Energy Corporation ("**Nextraction**"), a public company with oil properties in Kentucky and Wyoming. Frank Hallam, the Company's CFO and director, is also a director of MAG Silver, a director of WKM, a director of Lake Shore Gold Corp, and a director of Nextraction. Eric Carlson, a director of the Company, is also a director of MAG Silver, WKM and Nextraction. Barry Smee, a director of the Company, is also a director of Almaden Resources Ltd., a company with projects in Mexico, the USA and Canada. Any conflicts which may arise will be dealt with as disclosed below.

Such associations may give rise to conflicts of interest from time to time. The Company's directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project or opportunity of the Company. If a subject involving a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and the Company's financial position at that time.

The Company's share price has been volatile in recent years

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of many companies, particularly those considered exploration or development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. In particular, the per share price of the Common Shares on the TSX fluctuated from a high of Cdn$2.92 to a low of Cdn$1.31 and on the NYSE-A from a high of US$2.89 to a low of US$1.11 within the twelve month period preceding the date of this Prospectus. There can be no assurance that continual fluctuations in price will not occur.

The Company does not expect to pay dividends

The Company has not paid any dividends since incorporation and it has no plans to pay dividends for some time. The Company's directors will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time. All of the Common Shares are entitled to an equal share of any dividends declared and paid.

The Company's prospecting rights are subject to title risks

The Company's prospecting rights may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. The Company holds its interest in Project 1 and Project 3 through its holdings of Maseve, which company in turn holds 100% of the prospecting rights comprising Project 1 and Project 3. Although duly approved and issued, these prospecting rights are still in process of final title registration by the Government of the Republic of South Africa. These or other defects could adversely affect the Company's title to such properties or delay or increase the cost of the development of such prospecting rights.

Any disputes or disagreements with the Company's joint venture partners could materially and adversely affect the Company's business

PTM RSA is a party to a shareholders agreement with Africa Wide and Maseve related to the exploration and development of Project 1 and Project 3 (the "**Maseve Shareholders Agreement**"). Certain members of the management and boards of directors of Maseve are nominated by Wesizwe. Although the Company has majority control of Maseve and its board of directors, there is no assurance that the strategic direction of the WBC Project will always be consistent with the Company's objectives. Any change in the management or strategic direction of Wesizwe or one or more of the Company's other joint venture partners could materially and adversely affect the Company's business and results of operations. Additionally, if a dispute arises between the Company and a joint venture partner which cannot be resolved amicably, the Company may be unable to move its projects forward and may be involved in lengthy and costly proceedings to resolve the dispute, which could materially and adversely affect the Company's business and results of operations.

Socio-economic instability in South Africa or regionally may have an adverse effect on the Company's operations and profits

The Company has ownership interests in significant projects in South Africa. As a result, it is subject to political and economic risks relating to South Africa, which could affect an investment in the Company. South Africa was transformed into a democracy in 1994. The government policies aimed at redressing the disadvantages suffered by the majority of citizens under previous governments may impact the Company's South African business. In addition to political issues, South Africa faces many challenges in overcoming substantial differences in levels of economic development among its people. While South Africa features highly developed and sophisticated business sectors and infrastructure at the core of its economy, large parts of the population do not have access to adequate education, health care, housing and other services, including water and electricity.

The Company is subject to a number of South African statutes aimed at promoting the accelerated integration of historically disadvantaged South Africans, including the MPRDA, the *Broad-Based Black Economic Empowerment Act, 2003* (the "**BEE Act**") and the *Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry* (the "**Charter**"). To ensure that the socio-economic strategies are implemented, the BEE Act provided for Codes of Good Practice (the "**Codes**") issued by the South African Minister of Trade and Industry which specify empowerment targets consistent with the objectives of the BEE Act. The scorecard of the Mining Charter requires the mining industry's commitment of applicants in respect of ownership, management, employment equity, human resource development, procurement and beneficiation. The Charter also set out targets and criteria for broad-based black economic empowerment.

The Company cannot predict the future political, social and economic direction of South Africa or the manner in which government will attempt to address the country's inequalities. It is also difficult to predict the impact of addressing these inequalities on the Company's business. Furthermore, there has been regional, political and economic instability in countries north of South Africa. Such factors may have a negative impact on the Company's ability to own, operate and manage its South African mining projects.

The Company's land in South Africa could be subject to land restitution claims which could impose significant costs and burdens

The Company's privately held land could be subject to land restitution claims under the *South African Restitution of Land Rights Act 1994* (the "**Land Claims Act**"). Under the Land Claims Act, any person who was dispossessed of rights in land in South Africa as a result of past racially discriminatory laws or practices without payment of just and equitable compensation is granted certain remedies, including the restoration of the land against payment of the owner of compensation by the state. Under the Land Claims Act, persons entitled to institute a land claim were required to lodge their claims by December 31, 1998. The Company has not been notified of any land claims, but any claims of which it is notified in the future could have a material adverse effect on its right to the properties to which the claims relate and, as a result, on the Company's business, operating results and financial condition.

The *South African Restitution of Land Rights Amendment Act 2004* (the "**Amendment Act**"), became law on February 4, 2004. Under the Land Claims Act, the South African Minister for Agriculture and Land Affairs (the "**Land Minister**"), may not acquire ownership of land for restitution purposes without a court order unless an agreement has been reached between the affected parties. The Amendment Act, however, entitles the Land Minister to acquire ownership of land by way of expropriation either for claimants who do not qualify for restitution, or, in respect of land as to which no claim has been lodged but the acquisition of which is directly related to or affected by a claim, the acquisition of which would promote restitution to those entitled or would encourage alternative relief to those not entitled. Expropriation would be subject to provisions of legislation and the South African Constitution which provides, in general, for just and equitable compensation. There is, however, no guarantee that any of the Company's privately held land rights could not become subject to acquisition by the state without the Company's agreement, or that the Company would be adequately compensated for the loss of its land r ights, which could have a negative impact on the Company's South African projects and therefore an adverse effect on its business and financial condition.

Any adverse decision in respect of the Company's mineral rights and projects in South Africa under the MPRDA could materially affect the Company's projects in South Africa

With the enactment of the MPRDA, the South African state became the sole regulator of all prospecting and mining operations in South Africa. All prospecting and mining licences and claims granted in terms of any prior legislation became known as the "old order rights". All prospecting and mining rights granted in terms of the MPRDA are "new order rights". All old order prospecting rights had to be lodged for conversion by May 1, 2006 and all old order mining rights had to be lodged for conversion by May 1, 2009. Provided a compliant conversion application was lodged before the cut-off date, the old order prospecting or mining right will remain valid pending the conversion. The treatment of these conversions, new applications and pending applications is uncertain and any adverse decision by the relevant regulatory authorities under the new legislation may adversely affect title to the Company's mineral rights in South Africa which could stop, materially delay or restrict the Company from proceeding with its exploration activities or any future development activities or mining operations.

A wide range of factors and principles must be taken into account by the South African Minister of Mineral Resources when considering applications for conversion of old order rights or applications for new order rights. These factors include the applicant's access to financial resources and appropriate technical ability to conduct the proposed prospecting or mining operations, the environmental impact of the operation and, in the case of prospecting rights, considerations relating to fair competition. Other factors include considerations relevant to promoting employment and the social and economic welfare of all South Africans and showing compliance with the provisions regarding the empowerment of historically disadvantaged persons in the mining industry. The MPRDA also provides that a mining right granted under it may be cancelled if the mineral to which such mining right relates is not mine d at an optimal rate. All of the Company's old order prospecting permits in respect of Project 1 and Project 3 have now been converted into new order prospecting rights.

If the Company does not comply with the MPRDA, the Company may be materially delayed or restricted from proceeding with its exploration activities, with the development of future mines and with potential mining operations.

The introduction of South African State royalties where all of the Company's current mineral reserves are located could have an adverse effect on the Company's results of operations and its financial condition

The *Mineral and Petroleum Resources Royalty Act* (the "**MPRRA**") came into operation on May 1, 2009. The MPRRA provides for a minimum royalty rate of 0.5% and a maximum rate of 7% for unrefined product, and the royalty will be a tax deductible expense. The feasibility studies covering the Company's South African projects made certain assumptions related to the expected royalty rates under the MPRRA. If and when the Company begins earning revenue from its South African mining projects, and if the royalties under the MPRRA differ from those assumed in the feasibility studies, this new royalty could have a material and adverse impact on the economic viability of the Company's projects in South Africa, as well as on the Company's prospects, financial condition and results of operations.

There can be no assurance that an active market for the Common Shares will be sustained

Securities of mining companies have experienced substantial volatility in the past, and especially during the last couple of years, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also likely to be significantly affected by short-term changes in commodity prices, other precious metal prices or other mineral prices, currency exchange fluctuations, financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the performance of the Company that may have an effect on the price of the securities of the Company include the following: the extent of analytical coverage available to investor s concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of securities of the Company; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the securities of the Company that persists for a significant period of time could cause the Company's securities to be delisted from an exchange, further reducing market liquidity. If an active market for the securities of the Company does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Company may decline. As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the long-term va lue of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

There will be dilution from further equity financings

In order to finance future operations, the Company may raise funds through the issuance of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. The Company cannot predict the size of future issuances of Common Shares or the size and terms of future issuances of debt instruments or other securities convertible into Common Shares or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares. Any transaction involving the issuance of previously authorized but unissued shares, or securities convertible into Common Shares, would result in dilution, possibly substantial, to present and prospective security holders.

Management will have discretion concerning the use of cash resources as well as the timing of expenditures.

As a result, an investor will be relying on the judgment of management for the application of the cash resources of the Company. Management may use cash in ways that an investor may not consider desirable. The results and the effectiveness of the application of cash resources are uncertain. If cash resources are not applied effectively, the Company's results of operations may suffer.

d) Exploration Programs and Expenditures

The Company continues to be active in the Republic of South Africa ("RSA"). In 2003 the Company acquired a 100% South African subsidiary named Platinum Group Metals RSA (Pty.) Ltd. ("PTM RSA") for the purposes of holding mineral rights and conducting operations on behalf of the Company. The Company conducts all of its South African exploration and development work through PTM RSA.

Mineral property acquisition and capital costs deferred during the year on projects in Canada and South Africa other than Project 1 and Project 3 of the WBJV totaled $92,959 (2009 - $18,727). Exploration costs incurred in the year for these same properties totaled $2.23 million (2009 - $1.07 million). Of that amount $238,758 (2009 - $136,462) was incurred on the Canadian properties and $1.99 million (2009 - $930,479) was incurred on the South African properties. From the amounts incurred in South Africa, cost recoveries in the amount of $1.94 million (2009 -$835,144) were received from JOGMEC.

During the year the Company's share of exploration, engineering and development costs for Projects 1 and 3 of the WBJV amounted to $935,407 (2009 - $1.24 million). The total amount (100%) of expenditures by all Joint Venture partners for the period for the WBJV came to $2.38 million which was constant with the 100% amount spent for the same period last year (2009 - $2.35 million).

During the year there were no write-offs in deferred costs relating to South African or Canadian projects, and there were no write-offs during the prior year. For more information on mineral properties, see Note 5 of the Company's August 31, 2010 audited consolidated financial statements.

Western Bushveld Joint Venture

On October 26, 2004 the Company (37%) entered into a Joint Venture with Anglo and Africa Wide Mineral Prospecting and Exploration (Pty) Limited ("Africa Wide") (26%) to pursue platinum exploration and development on combined mineral rights covering approximately 67 square kilometres on the Western Bushveld Complex of South Africa. The Company contributed all of its interests in portions of the farms Onderstepoort 98 JQ and Elandsfontein 102 JQ. Anglo contributed its interests in portions of the farms Koedoesfontein 94 JQ, Elandsfontein 102 JQ and Frischgewaagd 96 JQ. On April 9, 2007, Anglo contributed to the WBJV a 50% interest in the mineral rights to the 494 hectare Portion 11 of the Farm Frischgewaagd 96 JQ, bringing the WBJV to approximately 72 square kilometres of territory.

In April 2007 Africa Wide accepted an offer for the purchase of 100% of their company from Wesizwe. The transaction closed in September 2007 and Wesizwe paid consideration of 57.4 million new shares of Wesizwe at a deemed price of Rand 10.48 per share for total consideration of Rand 601.5 million (approx. $90 million). Since September 2007 Wesizwe has become responsible for all of the rights and obligations of Africa Wide.

The Company published a Feasibility Study for Project 1 of the WBJV in July 2008 and later an Updated Feasibility Study in October 2009. Based on the WBJV resource estimate contained in the July 2008 Feasibility Study, and under the terms of the WBJV Agreement, each party was allocated an equalization amount due or payable based upon their contribution of measured, indicated, and inferred ounces of combined platinum, palladium, rhodium and gold ("4E") from the contributed properties comprising the WBJV. Inferred ounces were credited at US$0.50 per ounce, indicated ounces at US$3.20 per ounce and measured ounces at US$6.20 per ounce. Ounces contributed to the WBJV by Anglo in 2007 from a 50% interest in Portion 11 of the Farm Frischgewaagd 96 JQ, a property in Project 2, received an equalization credit of US$0.62 per inferred ounce, US$10.37 per indicated ounce and US$39.55 per measured ounce. O n April 22, 2010 the Company paid its equalization amount due to Anglo in the amount of $24.83 million (R 186.28 million).

On September 2, 2008, the Company announced an agreement in principle to consolidate and rationalize the ownership of the WBJV. On December 9, 2008, the Company announced the execution of definitive agreements formalizing the earlier announcement. On April 22, 2010 the WBJV Restructuring was completed. RPM transferred all of its 37% interests in the WBJV and its prospecting rights in Projects 1, 2 and 3 to Wesizwe in exchange for common shares representing approximately a 26.5% interest in Wesizwe. Wesizwe simultaneously then transferred all of its interests in the WBJV and the mineral rights related to Projects 1 and 3 into Maseve. The Company simultaneously rescinded its 18.5% interest in Project 2 of the WBJV and transferred its participation interest in the WBJV and its prospecting rights underlying Project 1 into Maseve.

Pursuant to the WBJV Restructuring, 100% of the prospecting rights to Project 1 and Project 3 are now held by Maseve and the original WBJV ceased to exist**.** Platinum Group acquired a 54.75% interest in Maseve and the right to subscribe for an additional 19.25% of Maseve for R 408.8 million (approx. $58.50 million as of November 26, 2010) before January 17, 2011. Assuming that Platinum Group fully exercises its Maseve Subscription Right, the subscription funds will be held in escrow by Maseve to be applied towards Wesizwe's capital requirements for Project 1 and Project 3 and the Company's interest in Maseve will be increased to 74%, with Wesizwe, through its subsidiary, Africa Wide, holding the remaining 26% interest. By completion of the WBJV Restructuring, the Company's and Anglo's interests in Project 2 were effectively contributed to Wesizwe, who n ow holds 100% of Project 2. Should the Company not exercise the full Maseve Subscription Right, the Company's interests in Project 1 and Project 3 will only be increased proportionally to the amount subscribed.

Pursuant to the terms of the WBJV Agreement and the WBJV Restructuring, the Company agreed to reimburse Wesizwe for past exploration costs, not including overhead costs, related to Project 2. Based on information provided by Wesizwe, the Company has accrued an amount due to Wesizwe of R9.72 million (approx. $1.41 million as at November 22, 2010) against amounts due to the Company from Wesizwe for its share of costs related to the WBJV.

Apart from the funds required to exercise the Maseve Subscription Right and the past exploration costs for Project 2 due to Wesizwe, there are no other amounts or payments due by the Company as a result of the WBJV Restructuring.

At April 22, 2010 the Company had a total investment in its 37% share of the WBJV of approximately $43.4 million. Of this amount costs associated specifically to Project 2 totaled $23.0 million. The cost attributable to Project 2 is relatively high because of the higher equalization costs associated with Portion 11 of the farm Frischgewaagd, as described above. The estimated fair market value of the Company's disposed 18.5% interest in Project 2 was estimated at $65.42 million at April 22, 2010. The Company recorded a gain on the disposition in the amount of $45.62 million.

Post the WBJV Restructuring the Company carries total deferred costs related to Projects 1 and 3 of $109.59 million at August 31, 2010 while the balance carried for the previous investment in the WBJV has been reduced to zero.

Project 1 and Project 3 Mineral Resources and Reserves - (MR- Merensky Reef; UG2- Upper Group 2 Reef)

The Company provided a statement of reserves for Project 1 in the Updated Feasibility Study and an updated statement of resources for Project 1 in a NI 43-101 technical report (the "Project 1 Report") in October 2009. An updated NI 43-101 technical report was published for Project 3 in October 2010 (the "Project 3 Report"). Summary resource and reserve details follow in the table below. The table contains summary details from the Updated Feasibility Study and the Project 1 Report in respect of Project 1, and summary resource details from the Project 3 Report. Assuming the Company fully exercises the Maseve Subscription Right, the Company will acquire a 74% interest in the 4E ounces attributable to Project 1 and Project 3. The prill splits and 4E estimates for Project 1 and Project 3 have been tested for reasonableness by kriging on the individual elements. Copper and nickel as well as the minor platinum group elements have also been estimated with a statistical process of simple kriging for Project 1.

Current spot prices of 4E in aggregate are higher than the base case long term metal prices as set out in the Updated Feasibility Study, but are within the range (in aggregate, including exchange rates for the Merensky Reef pricing) of the sensitivity analysis contained in the Updated Feasibility Study.

The following is a statement of attributable reserves and resources for Project 1 and Project 3. Additional information regarding the resource calculation can be found in the Reports. Reserves presented below are a sub-set of measured and indicated resources included in the Updated Feasibility Study and take into account mining factors and are not in addition to the resources. The 4E cut-off in the tables below are 300 cm.g/t for Project 1 and 100 cm.g/t for Project 3 ("cm.g/t" refers to the grade at the stipulated resource cut width (in centimetres)).

Reef	Resource Category	Tonnes (million)	Grade (4E) (g/t)	Mining width (meters)	Prill Split (4E)				Ozs (millions) [1]
					PT	Pd	Rh	Au	
Project 1 [2]									
MR	Measured	6.603	8.38	1.33	64%	27%	4%	5%	1.779
UG2	Measured	7.464	4.26	1.34	63%	26%	10%	1%	1.022
MR	Indicated	11.183	7.25	1.24	64%	27%	4%	5%	2.607
UG2	Indicated	19.209	4.46	1.39	63%	26%	10%	1%	2.754
MR	Inferred	0.154	8.96	1.06	64%	27%	4%	5%	0.044
UG2	Inferred	0.022	3.91	0.83	63%	26%	10%	1%	0.003
Project 3 [3][4]									
MR	Indicated	5.157	6.03	1.14	64%	27%	4%	5%	0.999
UG2	Indicated	5.947	4.91	1.16	62%	28%	9%	1%	0.940
MR	Inferred	0.443	5.34	1.14	64%	27%	4%	5%	0.076

Notes:

(1) PTM currently has a 54.75% interest in these resources and will increase its interest to 74% upon exercise of the Maseve Subscription Right.

(2) The qualified person under NI 43-101 ("**Qualified Person**") for the information in the table above respecting Project 1, derived from the Project 1 Report, is Charles Muller, who was independent of the Company as of the date of the Project 1 Report.

(3) The Qualified Person for the information in the table above with respect to Project 3, derived from the Project 3 Report, is Charles Muller, who was independent of the Company as of the date of the Project 3 Report.

(4) Subsequent to the publication of the Project 3 Report in October 2010, further analysis, scoping work and optimization of resource block perimeters has resulted in small improvements (less than 10% change) to the originally reported resource and it is these amended results that are reported herein.

Merensky Reserves Project 1[(1)]		
Tonnes t	**4E g/t**	**Content Moz 4E**
Merensky Proven		
6,677,304	5.61	1.205
Merensky Probable		
11,333,294	5.44	1.983
Total Merensky Mineral Reserves		
18,010,598	5.51	3.188

Note:
(1) PTM currently has a 54.75% interest in these reserves and will increase its interest to 74% upon exercise of the Maseve Subscription Right. The Qualified Persons for the information in the above table with respect to Project 1, derived from the Updated Feasibility Study, are Charles Muller and Gordon Cunningham, each of whom were independent of the Company as of the date of the Updated Feasibility Study. Reserves were calculated based on the resources as reported and available at the time of the Updated Feasibility Study.

UG2 Reserves Project 1[(1)]		
Tonnes t	**4E g/t**	**Content Moz 4E**
UG2 Proven		
5,086,535	3.37	0.551
UG2 Probable		
8,448,801	3.41	0.927
Total UG2 Mineral Reserves		
13,535,336	3.40	1.478

Note:
(1) PTM currently has a 54.75% interest in these reserves and will increase its interest to 74% upon exercise of the Maseve Subscription Right. The Qualified Persons for the information in the above table with respect to Project 1, derived from the Updated Feasibility Study, are Charles Muller and Gordon Cunningham, each of whom were independent of the Company as of the date of the Updated Feasibility Study. Reserves were calculated based on the resources as reported and available at the time of the Updated Feasibility Study.

Listing of Individual Elements from 4E Reserve Statement

Metal	Reef	Category	Prill Split	Tonnage	g/t	Content	
				Tonnes		Tonne	Moz
Pt	Merensky	From Proved 4E Reserve	64%	6,677,304	3.59	23.99	0.771
		From Probable 4E Reserve	64%	11,333,294	3.48	39.47	1.269
		Total	**64%**		**3.52**	**63.46**	**2.040**
	UG2	From Proved 4E Reserve	63%	5,086,535	2.12	10.79	0.347
		From Probable 4E Reserve	63%	8,448,801	2.15	18.16	0.584
		Total	**63%**	**13,535,336**	**2.14**	**28.95**	**0.931**
Pd	Merensky	From Proved 4E Reserve	27%	6,677,304	1.52	10.12	0.325
		From Probable 4E Reserve	27%	11,333,294	1.47	16.65	0.535
		Total	**27%**	**18,010,598**	**1.49**	**26.77**	**0.861**
	UG2	From Proved 4E Reserve	26%	5,086,535	0.88	4.45	0.143
		From Probable 4E Reserve	26%	8,448,801	0.89	7.50	0.241
		Total	**26%**	**13,535,336**	**0.88**	**11.95**	**0.384**
Rh	Merensky	From Proved 4E Reserve	4%	6,677,304	0.22	1.50	0.048
		From Probable 4E Reserve	4%	11,333,294	0.22	2.47	0.079
		Total	**4%**	**18,010,598**	**0.22**	**3.97**	**0.128**
	UG2	From Proved 4E Reserve	10%	5,086,535	0.34	1.71	0.055
		From Probable 4E Reserve	10%	8,448,801	0.34	2.88	0.093
		Total	**10%**	**13,535,336**	**0.34**	**4.60**	**0.148**
Au	Merensky	From Proved 4E Reserve	5%	6,677,304	0.28	1.87	0.060
		From Probable 4E Reserve	5%	11,333,294	0.27	3.08	0.099
		Total	**5%**	**18,010,598**	**0.28**	**4.96**	**0.159**
	UG2	From Proved 4E Reserve	1%	5,086,535	0.03	0.17	0.006
		From Probable 4E Reserve	1%	8,448,801	0.03	0.29	0.009
		Total	**1%**	**13,535,336**	**0.03**	**0.46**	**0.01**

Notes:

(1) Where used in the above four tables, "MR" or "Merensky" refers to Merensky Reef, and "UG2" refers to Upper Group 2 Chromitite Seam. Due to rounding, table columns may not add up. Project 1 and 1A tonnes are reported after deducting 14% for MR and 23% for the UG2 for geological losses. Project 3 tonnes are reported after deducting 14% for geological losses.

(2) The Qualified Persons for the information in the above table with respect to Project 1, derived from the Updated Feasibility Study, are Charles Muller and Gordon Cunningham, each of whom were independent of the Company as of the date of the Updated Feasibility Study.

(3) **Cautionary Note to U.S. Investors with respect to the information in the above three tables:** *The U.S. Securities and Exchange Commission permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. The Company uses certain terms in this document, such as "measured," "indicated," and "inferred," "reserves," and "resources," that the SEC guidelines strictly prohibit U.S. registered companies from including in their filings with the SEC. "Resources" are not "Reserves" and so do not have demonstrated economic viability. U.S. investors are urged to consider closely the disclosure in the Company's U.S. regulatory filings, File No. 0-033562, which may be secured from the Company, or from the SEC's website at: http://sec.gov.*

Updated Feasibility Study – October 2009

The Updated Feasibility Study recommends a series of five simultaneous declines accessing the deposit with a mining rate of 156,000 tonnes per month, which provides 13 years of steady state tonnage production. First ore is reached by development 13 months from the commencement of underground work. Mining is only scheduled on the reserves. Resources in the Project 1 area and lower grade UG2 resources also provide some future opportunities. The mining and development plan includes conventional hand held drilling utilizing electrical drills and scraper winch cleaning similar to the successful conventional mining at the adjacent mines. Declines and primary access to the deposit is designed for development with mechanized equipment. Ore is initially to be hauled out of the mine with mechanized equipment and assisted then by conveyor from year 4 of mine life to end of mine life.

The Merensky Reef will be mined at widths between 93cm and 176cm at an average of 115cm and the UG2 Reef will be mined at widths between 105cm and 205cm at an average of 153cm. At the recommended mining rate and modifying factors the mine plan generates approximately 234,000 – 300,000 4E oz in concentrate per year. During 9 years of peak production, approximately 275,000 4E oz are produced from the Merensky Reef horizon. The mine has a 22 year planned mine life. The Qualified Persons who authored the Updated Feasibility Study have recommended that the mine plan be reviewed based upon the changes to the mineral resources. This work is being carried out as part of project implementation.

Infrastructure and Metal Recovery

The Updated Feasibility Study design for metallurgical extraction utilizes a standard plant design similar to other nearby plants in the Bushveld complex operating on the same reefs. The plant is designed with circuits that can process Merensky Reef, UG2 Reef or a blended feed. The Merensky Reef is the target of initial mining because of its higher grade and low chrome content. The concentrator has been designed and re-costed, based on treating the optimal 140,000 tonnes per month. The revised mine plan has increased this treatment rate to 160,000 tonnes per month and for the concentrator to treat this increased quantity of reef, the recovery has been reduced with a discount of up to 2.5% for treatment in excess of nominal "name plate" capacity.

Metallurgical testing and the published experience of the adjacent operating mines support a "name plate" capacity plant recovery rate estimate of 87.5% of platinum, palladium, rhodium and gold on the Merensky Reef and 82.5% on the UG2 Reef. Recoveries of 45% for nickel and 70% for copper are also modeled for the Merensky Reef. Ruthenium and Iridium are also included as minor contributors. No additional metallurgical test work has been undertaken during the Updated Feasibility Study.

The mine infrastructure in the estimates includes the entire required surface infrastructure for a standalone mine including water, power, underground access and ventilation to establish full production.

Smelter Terms

The Updated Feasibility Study includes capital and operating estimates to produce concentrate but no capital is included for smelting or refining of this concentrate. The costs associated with smelting and refining of concentrate is modeled as a deduction from revenue arising from the sale of concentrate to others. While the terms of agreements governing the sale of such concentrates within the South African PGM industry are all confidential, the relevant Qualified Person for the Updated Feasibility Study believes deductions used in the Updated Feasibility Study financial model are indicative of deductions current in this industry. The party to whom concentrate will be sold and the terms of this potential sale are yet to be determined. Anglo Platinum has a 60 day right of first refusal to purchase all of the ore or concentrate produced by Projects 1 and 3 on commercial terms. Estim ated deductions in the Updated Feasibility Study include penalties and shipment charges and total approximately 15% from gross concentrate sales revenue. Should Anglo Platinum decide to purchase the concentrate produced by the Project 1 mine the structure of such purchase would be governed by the pro-forma off-take agreement included in the WBJV Agreement, however the commercial terms will be subject to negotiation. Approaches will now be made to Anglo Platinum and other parties in an attempt to secure an off-take agreement and the terms thereof based on the Updated Feasibility Study production profile.

Financial Details

The results of the Updated Feasibility Study show a strong Internal Rate of Return "IRR" (pretax) for the Base Case of 23.54%. The Base Case is modeled using 3 year trailing metal prices including US$1,343 per ounce platinum, an exchange rate of 8 Rand to the US Dollar and a 10% discount rate. Using metal prices to September 2009, including US$1,295 per ounce platinum, the IRR for the project (pre-tax) is 15.63%. The model does not include escalation due to inflation of costs or metal prices.

Average life-of-mine cash operating costs to produce concentrate is now estimated at R525 per tonne (approx. US$65.63) of ore or R4,208 (approx. US$526) per 4E ounce on a life of mine basis. Operating costs and underground development costs have increased from those in the July 2008 Feasibility Study as a result primarily of mining related cost including labour increases. The Merensky Reef layer represents the first 15 years of production and the Merensky basket price per 4E ounce is modeled at US$1,185 (3 year trailing prices) and US$1,025 (recent prices). The UG2 layer represents the balance of the production. The UG2 basket price per 4E ounce is modeled at US$1,433 (3 year trailing prices) and US$1,068 (recent prices). The model includes a subsequent average 15.16% discount from the metal price to estimate the smelter pay discount.

The project has an estimated life of 22 years with 9 years at a steady state of production of 234,000 to 300,000 ounces per year. The capital cost for the mine and concentrator complex are R3.55 billion or US$443.13 million for peak funding and R4.76 billion or US$595.04 million for life of mine funding. The life of mine capital cost estimate has been reduced from that in the July 2008 Feasibility Study by US$89 million as a result of change in design to use mostly grid power rather than self generated power and improvements in mine design.

In October 2010 the Company raised gross proceeds of $143.81 million on the issue of 70.15 million shares on a bought deal basis. See item 6. "Liquidity and Capital Resources" below. The net proceeds received by the Company from the Offering were approximately $135.6 million (determined after deducting the Underwriters' Fee of $7.91 million and estimated expenses of the Offering of $300,000).

The Updated Feasibility Study estimates the total capital cost to build the Project Platinum Mine at US$443 million (at 8.0 Rand to the USD). The net proceeds of the Offering will allow the Company to initiate development, but further financing will be required to complete the project, likely from a combination of debt financing and the issuance of additional equity.

The Company intends to use approximately $58.5 million of the net proceeds of the Offering as a payment to Maseve to exercise the Maseve Subscription Right, increasing the Company's interest in Project 1 and Project 3 to 74%. Of the remaining net proceeds of the Offering, approximately $74 million will be applied against the Company's 74% share of an initial $100 million development programme for Project 1 and $10 million will be reserved for general working capital purposes. The Company may apply other cash on hand or proceeds from future warrant exercises against an expanded work programme for Project 1.

The initial development programme for Project 1 will include finalizing the purchase of surface rights and facilities for an amount of approximately $16.73 million. The remainder will be applied for the commencement of surface and earth works, including pads, lay down areas, a box cut, decline access and limited level development. Such work will also include detailed implementation preparations to be made by the Company including working with the key potential contractors and the potential suppliers of water and power. The Company must also complete additional engineering work and consider potential changes in capital costs, power availability and project implementation schedules due to changes in the mining market, metals prices and other factors since the effective date of the Updated Feasibility Study.

The Company has generally found an improvement of the availability of contractors and equipment, with a corresponding lowering of costs. Currently, the general outline of project implementation, costs and timing is believed by management of the Company to be appropriate but with an approximate delay to the project start of 10 to 12 months from the dates in the Updated Feasibility Study due to the delay in completing the WBJV Restructuring and the resulting delay in project funding.

Although the Company intends to use the funds from the Offering as set forth above, the actual allocation of the net proceeds may vary from those set out above, depending on future developments in the Company's mineral properties or unforeseen events.

Northern Limb, Bushveld - War Springs and Tweespalk Properties

On June 3, 2002, the Company acquired an option to earn a 100% interest in the 2,396 hectare War Springs property and the 2,177 hectare Tweespalk property both located in the Northern Limb or Platreef area of the Bushveld Complex north of Johannesburg. The Company now holds New Order prospecting permits on 100% of this territory. Acquisition and exploration costs on these properties net of recoveries to August 31, 2010 total $3.41 million (2009 - $3.37 million). The Company can settle the vendors' residual interests in these mineral rights at any time for US$690 per hectare. The Company pays annual prospecting fees to the vendors of US$3.25 per hectare. The vendors retain a 1% NSR Royalty on the properties, subject to the Company's right to purchase the NSR at any time for US$1.4 million.

Black Economic Empowerment groups Africa Wide, a subsidiary of Wesizwe, and Taung Minerals (Pty) Ltd., a subsidiary of Platmin Limited, have each acquired a 15% interest in the Company's rights to the War Springs project carried to bankable feasibility. The Company retains a net 70% project interest. Africa Wide also has a 30% participating interest in the Tweespalk property.

On March 5, 2009 the Company announced an agreement with JOGMEC, an incorporated administrative institution of the Government of Japan, whereby they may earn up to a 35% interest in the Company's rights to the War Springs project for an optional work commitment of US$10 million over 5 years. The first and second year JOGMEC option commitment of US$1.5 million has been completed with approximately 12,397 metres drilled to March 31, 2010. Total expenditures incurred by JOGMEC to August 31, 2010 amounted to approximately $2.18 million. Further work programs for the War Springs project in 2010 are currently underway.

In October 2009 the Company entered an agreement with JOGMEC and Mnombo whereby JOGMEC may earn up to a 37% interest in the Waterberg project for an optional work commitment of US$3.2 million over 4 years, while at the same time in exchange for matching JOGMEC's expenditures on a 26/74 basis, Mnombo may earn a 26% interest in the project. If required the Company has agreed to loan Mnombo their first $87,838 in project funding and the Company and JOGMEC may assist Mnombo to acquire commercial loans to fund their ongoing requirements, or may choose to allow Mnombo to defer those costs against their share of future proceeds from the project. Total expenditures incurred by JOGMEC to August 31, 2010 amounted to approximately $555,252.

At August 31, 2010 the Company recorded an amount of $423,456 due to JOGMEC against cash advances for exploration work due to be completed on War Springs and Waterberg in calendar 2010.

On March 17, 2008 the Company published a revised and updated resource calculation for the War Springs property based on drilling and exploration work conducted in the prior three years. Details are as follow:

100% Basis

Reef	Cut-off 3E	Tonnage	3E			Ni		Cu		Channel Width
	cmg/t	T	g/t	G	Moz	%	t	%	t	Cm
B Reef	300	20,934,894	0.95	19,947,131	0.641	0.18	35,870	0.14	27,863	657
C Reef	300	26,030,561	1.24	32,192,522	1.035	0.08	25,812	0.06	19,388	875
Total	300	46,965,455	1.11	52,139,652	1.676	0.13	64,965	0.10	49,868	734

Reef	Prill Splits					
	Pt		Pd		Au	
	g/t	%	g/t	%	g/t	%
B Reef	0.32	34	0.55	58	0.08	8
C Reef	0.20	16	0.97	78	0.07	6

The War Springs Mineral Resource is characterised by two distinct reef layers, termed the "B" and "C" reefs. Both reefs are typically greater than 6 metres thick. The reefs outcrop on surface and extend down dip in parallel sheets at a 65 degree angle to a depth of 400 metres, remaining open at depth. A 5% geological loss has been applied. Eighteen holes had been completed by the end of May 2005, relating to 7,433 metres of drilling. A total of 8,188 samples were collected for the determination of elements Platinum, Palladium, Gold, Copper and Nickel. Four additional boreholes were drilled (1,646m) during the period November 2005 to early February 2006, on high priority soil targets (Phase 2 Drilling Program). An additional 1,738 samples were collected for analysis. Of the 22 boreholes drilled, 15 boreholes intersected the "B" Reef and 8 boreholes intersected the "C" Reef. Drilling results from Phase 1 and 2 covering approximately 2,200 metres of strike length on a 250 metre spacing, combined with a review of the cut-off, form the basis of the updated Inferred Mineral Resource estimation reported in a NI 43-101 document, compiled by Minxcon (Pty) Ltd, dated March, 2008. Mr. Charles Muller of Minxcon is the Qualified Person for the War Springs resource estimate. Samples were analyzed under Platinum Group's previously published protocols for the project including insertion of blanks, duplicates and certified reference materials in the assay stream once in every 24 or fewer samples. This is in addition to internal quality control measures undertaken by the contracted certified analytical facilities. Assays were completed by standard fire assay procedures with preparation at the Setpoint facility at Mokopane and final assays at Genalysis Laboratories Services Pty Ltd. in Perth Australia or Anglo Research Laboratories.

Lac Des Iles Area Properties, Ontario

On May 5, 2000, the Company entered into an option agreement to acquire a 50% interest in the Lac des Iles River property located near Thunder Bay, Ontario in exchange for cash payments ($43,500 paid in total) and the completion of exploration expenditures. On October 6, 2006, the Company and the property vendors entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property subject only to an underlying 2.0% Net Smelter Return Royalty. In settlement the Company made a one-time payment to the vendors of $50,000 in lieu of past and future exploration expenditure commitments not incurred.

In April 2000, and later as amended in January 2005, the Company acquired an option to earn a 50% interest in the South Legris property located near Thunder Bay, Ontario in exchange for cash payments ($105,000 paid in total) and the completion of certain exploration expenditures. On October 13, 2006, the Company and the property vendors entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property subject only to underlying 2.0% Net Smelter Return Royalties. In settlement the Company made a one-time payment of $50,000 in lieu of past and future exploration expenditure commitments not incurred.

On June 28, 2000, the Company entered into an option agreement to earn up to 60% interest in the Shelby Lake property, located near Thunder Bay, Ontario in exchange for cash payments of $15,000 (paid), the issue of 30,303 shares (issued) and the completion of exploration expenditures. On October 18, 2006, the Company and the property vendor entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property for a one-time payment of $5,000 subject only to an underlying 2.0% Net Smelter Return Royalty.

The Company has conducted work programs on its Lac Des Iles projects during 2008, 2009 and 2010. A 1,125 metre drill program was completed on the projects in the first quarter of 2008 and a further 978 metres was completed in February of 2009. In the period ended August 31, 2010 the Company incurred $238,758 of costs for geophysical and other ground based work on the Lac des Iles project area. Encouraging exploration results for palladium, platinum, nickel and copper continue to be returned and the Company plans to invest further in the project. As palladium prices have improved significantly in 2010 these projects are currently being considered for greater levels of investment in 2011.

e) Administration Expenses

The Company maintains a corporate office in Canada and both a corporate and field office in South Africa. General and administrative expenses for the year totaled $7.79 million (2009 - $7.43 million). The increase in general and administrative expenses over the comparative year is explained for the most part by a foreign exchange loss of $1.01 million compared to a foreign exchange gain of $322,833 in 2009. Professional fees totalled $1.99 million for the year (2009 - $1.08 million). This amount includes $1.38 for legal fees, $394,212 for accounting advisory fees and $215,563 for audit and quarterly review fees. All of these costs are higher than in the comparative period as the Company had been conducting negotiations, due diligence and drafting of agreements related to strategic options. Management and Consulting fees of $1.30 million (2009 - $1.11 million) were higher in the current year due to $306,154 in additional director and senior management fees. The amount of salaries and benefits expensed in the year was slightly higher at $1.89 million (2009 - $1.62 million). Offsetting some of these increased expenses was a decrease of $133,281 in shareholder relations expenses ($166,116 vs. $299,397 in 2009); and a decrease of $151,743 in travel expenses ($416,670 vs. $568,413 in 2009).

f) Related Party Transactions

Consulting fees, salaries and bonus incurred with non-independent directors and officers during the period amounted to $679,121 (2009 - $385,967). Of this amount, approximately $368,079 (2009 - $200,967) was paid as consulting fees and bonus to R. Michael Jones, the Company's President and CEO, and $311,042 (2009 - $185,000) was paid as salary and bonus to Frank Hallam, the Company's CFO and Corporate Secretary. During the year, an additional $88,000 (2009 - $75,000) was paid to independent directors (Iain McLean, Eric Carlson, Barry W. Smee) for retainer, committee and meeting attendance fees. At August 31, 2010 there were $8,000 in meeting attendance fees (2009 - $45,308) owed and included in accounts payable to directors.

Until early 2010 the Company provided accounting, secretarial and reception services at market rates for day-to-day administration and accounting to MAG Silver Corp. ("MAG"), a company with three common directors (R. Michael Jones, Frank Hallam, Eric Carlson).

Fees received have been credited by the Company against its own administrative costs. The Company received service fees of $64,347 (2009 - $135,895) during the year from MAG. Since January 2010 the service fees the Company receives from MAG have been reduced or eliminated as MAG Silver is now handling its own administration.

During the year the Company accrued or received accounting, secretarial and reception service fees of $8,000 (2009 – $38,000) from West Timmins Mining Inc. ("WTM"), a company which prior to being acquired by Lake Shore Gold Corp, had three common directors (R. Michael Jones, Frank Hallam, Eric Carlson). These service fees were eliminated in 2010, since WTM was acquired by Lakeshore Gold. Corp. in November 2009.

During the year the Company provided accounting, secretarial and reception services at market rates for day-to-day administration and accounting to West Kirkland Mining Inc. ("WKM"), a company with three common directors (R. Michael Jones, Frank Hallam and Eric Carlson) and two common officers(R. Michael Jones and Frank Hallam). Fees received have been credited by the Company against its own administrative costs. The Company received service fees of $46,750 (2009 - $Nil) during the period from WKM.

During the year the Company provided accounting, secretarial and reception services at market rates for day-to-day administration and accounting to Nextraction Energy Corp. ("Ne"), a company with three common directors (R. Michael Jones, Frank Hallam and Eric Carlson). Fees received have been credited by the Company against its own administrative costs. The Company received service fees of $59,500 (2009 - $Nil) during the period from Ne.

During the year ended August 31, 2005, the Company entered into an office lease agreement with Anthem Works Ltd. ("Anthem"), a company with a common director (Eric Carlson). During the year ended August 31, 2010 the Company accrued or paid Anthem $86,879 under the office lease agreement (2009 - $86,849). The space occupied approximates one third of 6,050 square feet in a first tier building located in downtown Vancouver, British Columbia. The rental rate was negotiated on an "arm's length basis".

All of the above transactions are in the normal course of business and are measured at the exchange amount which is the consideration established and agreed to by the noted parties.

g) Shareholder Relations' Expenses

Shareholder relations' expense during the period totaled $166,116 (2009 - $299,397). The decrease from the prior year is due to more normalized expenditures for the period, whereas in the previous year the volatile economic circumstances required greater effort and spending in this cost area. The Company manages its shareholder relations as an internal function and the Company actively seeks to raise its profile with both retail and institutional investors. From June 2005 to present Mr. Tony Mahalski of LM Associates in London, U.K., has also been engaged for a fee of GBP 1,000 per month for the purpose of general business development and the raising of the Company's profile in Europe.

h) Travel and Promotion Expenses

Travel expenses for the period amounted to $416,670 (2009 - $568,413). These activities relate to the supervision of ongoing operations in South Africa and Canada, new property investigations and meetings with potential and current institutional and sophisticated investors. Travel related to all of these activities was lower during the year than in the same period in 2009. Promotional expenses in the period amounted to $106,681 (2009 - $195,604) and these costs relate to design work, media relations, printed material, postage and trade show attendance and efforts were made to reduce such costs during the period.

i) Property Acquisition and Capital Expenses

Property acquisition expenditures paid in cash and capital costs during the year totaled $26.46 million (2009 - $20,044). These expenditures were incurred to acquire or maintain option rights to South African and Canadian mineral properties. The largest single cost was for an equalization payment paid to Anglo Platinum in the amount of $24.83 million. See further details above.

The Company evaluates its property interests on an ongoing basis and intends to abandon properties that fail to remain prospective. Apart from the possible vendor buy-out of the War Springs and Tweespalk properties by the Company, there are no other required property acquisition payments due to vendors under mineral property option agreements. At the time of writing the Company was incurring further property acquisition expenses, such as research and staking expenses, through its activities in Ontario, Canada and South Africa.

During 2008 the Company purchased surface rights adjacent to the Project 1 deposit area measuring 216.27 hectares for Rand 8.0 million (approx. $1.09 million) and the Company also acquired surface rights directly over a portion of the Project 1 deposit area measuring 358.79 hectares for an amount of Rand 15.07 million plus legal and interest charges of Rand 621,214 for a total of Rand 15.69 (approx. $2.14 million). The rights to these two properties are to the benefit of the Company alone and are distinct from the 365.64 hectare Elandsfontein Farm described below.

On August 12, 2010 the Company acquired the option to purchase surface rights covering 1,713 hectares, including accommodation facilities and overlaying the area of the planned Project 1 Platinum Mine, for Rand 130.0 million (approx. $18.80 million at the time). A non-refundable deposit of Rand 13.0 million (approx. $1.88 million at the time) was paid to the Vendor on August 26, 2010 and will be set off against the final purchase amount. The purchase price balance of Rand 117.0 million (approx. $16.73 million on November 25, 2010) is subject to the grant of a mining authorization within one year of the deposit date. PTM may waive the condition precedent at any time. The Company can extend the option to purchase due date for a further year for a Rand 13.0 million payment against the purchase price.

The rights to these three properties are to the benefit of the Company only and are distinct from the 365.64 hectare Elandsfontein Farm originally purchased in 2004 for the benefit of the WBJV. The Elandsfontein mineral titles were transferred to project operating company Maseve on April 22, 2010 while the surface rights, valued at half of the original acquisition cost, remain under title to the Company and a 45.25% credit of approximately $320,000 was applied to amounts due to/from Wesizwe in recognition of their attributable portion of the surface rights as at April 22, 2010.

j) Off-Balance Sheet Arrangements

The Company does not have any special purpose entities nor is it party to any arrangements that would be excluded from the balance sheet.

k) Outlook

At November 29, 2010 the Company's cash position was approximately $144.0 million. The Company intends to spend approximately $58.5 million to exercise the Maseve Subscription Right before January 17, 2010, increasing the Company's interest in Project 1 and Project 3 to 74%.

The Company is commencing with the permitting and development of Project 1 and plans to commit approximately $74 million against the Company's 74% share of an initial $100 million development programme. The Company may apply other cash on hand or proceeds from future warrant exercises against an expanded work programme for Project 1. The initial development programme for Project 1 will include finalizing the purchase of surface rights and facilities for an amount of approximately $16.73 million. The remainder of the initial budget will be applied for the commencement of surface and earth works, including pads, lay down areas, a box cut, decline access and limited level development.

The October 2009 Updated Feasibility Study estimated a capital cost to build Project 1 of US $443.0 million at an exchange rate of 8.0 Rand to the USD. The Company will consider both equity and debt financing components to complete Project 1 generally in accordance with plans as set out in the Updated Feasibility Study. The Company is currently in discussions with major banking interests with regard to debt financing for Project 1. The Company hopes to have such arrangements in place during 2011.

In 2011 the Company plans to continue working with joint venture partner funding to conduct exploration on the War Springs, Waterberg and Sable projects. In 2011 the Company intends to conduct further exploration work on its Canadian properties located near Thunder Bay, Ontario.

3. CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Management has identified mineral property acquisition and exploration deferred costs; provision for reclamation and closure; future income tax provision; stock based compensation; and recoverability of its interest in mineral properties as the main estimates for the following discussion. Please refer to Note 2 of the Company's Audited consolidated financial statements for a description of all of the significant accounting policies.

Under Canadian GAAP, the Company defers all costs relating to the acquisition and exploration of its mineral properties. Any revenues received from such properties are credited against the costs of the property. When commercial production commences on any of the Company's properties, any previously capitalized costs would be charged to operations using a unit-of-production method. The Company reviews deferred exploration costs to assess their recoverability and when events or changes in circumstances indicate that the carrying value of a property exceeds the estimated net recoverable amount, provision is made for impairment in value.

The existence of uncertainties during the exploration stage and the lack of definitive empirical evidence with respect to the feasibility of successful commercial development of any exploration property does create measurement uncertainty concerning the estimate of the amount of impairment to the value of any mineral property. The Company relies on its own or independent estimates of further geological prospects of a particular property and also considers the likely proceeds from a sale or assignment of the rights before determining whether or not impairment in value has occurred.

Reclamation and closure costs have been estimated based on the Company's interpretation of current regulatory requirements, however changes in regulatory requirements and new information may result in revisions to estimates. The Company recognizes the fair value of liabilities for reclamation and closure costs in the period in which they are incurred. A corresponding increase to the carrying amount of the related assets is generally recorded and depreciated over the life of the asset.

The future income tax provision is based on the liability method. Future taxes arise from the recognition of the tax consequences of temporary differences by applying enacted or substantively enacted tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of certain assets and liabilities. The Company records a valuation allowance against any portion of those future income tax assets that it believes will, more likely than not, fail to be realized.

For its 2005 fiscal year, the Company adopted CICA Handbook Section 3870 – Stock-Based Compensation and other Stock-Based Payments, which requires the fair value method of accounting for stock options. Under this method, the Company is required to recognize a charge to the income statement based on an option-pricing model based on certain assumptions. In the year ended August 31, 2010 the Company granted no options. For the year ended August 31, 2009 the assumptions were as follows; no dividends were paid, a weighted average volatility of the Company's share price of 77.97%, a weighted average annual risk free rate of 2.59% and an expected life of 3.21 years. The resulting weighted average option pricing resulted in an expense for stock options in the year ended August 31, 2009 of $2.52 million of which $2,100,736 was expensed while $417,371 was capitalized to deferred mineral property exploration costs. In the period en ded August 31, 2010 no stock options were granted. Of the $164,895 in cost calculated for August 31, 2010 for options vested in the year, an amount of $137,600 was expensed while $27,295 was capitalized to deferred mineral property exploration costs, not including gross up FIT liability of $10,900.

4. SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are set out in Note 2 of its Financial Statements for the period ended August 31, 2010. There are several policies that are significant to the financial results of the Company.

Under Canadian GAAP, the Company defers all costs relating to the acquisition and exploration of its mineral properties. Any revenues received from such properties are credited against the costs of the property. When commercial production commences on any of the Company's properties, any previously capitalized costs would be charged to operations over the life of the property using a unit-of-production method. The Company regularly reviews deferred exploration costs to assess their recoverability and when facts and circumstances indicate that the carrying value of a property exceeds the estimated net recoverable amount, provision is made for impairment in value.

The existence of uncertainties during the exploration stage and the lack of definitive empirical evidence with respect to the feasibility of successful commercial development of any exploration property creates measurement uncertainty concerning the calculation of the amount of impairment to the value of any mineral property. The Company relies on its own or independent estimates of further geological prospects of a particular property and also considers the likely proceeds from a sale or assignment of the rights before determining whether or not impairment in value has occurred.

Future income taxes are calculated based on the liability method. Future income taxes arise from the recognition of the tax consequences of temporary differences by applying enacted or substantively enacted tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of certain assets and liabilities. The Company records a valuation allowance against any portion of those future income tax assets that it believes will, more likely than not, fail to be realized.

5. RECENT ACCOUNTING PRONOUNCEMENTS

CICA Section 3064, *Goodwill and Intangible Assets*, replaces Section 3062, *Goodwill and Other Intangible Assets* and Section 3450, *Research and Development Costs*. In February 2008, the CICA issued the new pronouncement establishing revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and startup costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. Section 3064 was adopted September 1, 2009, and doing so has had no effect.

In July 2009, the CICA approved amendments to Section 3862, *Financial Instruments – Disclosures*. The amendments require additional fair value disclosure for financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making fair value assessments. The amendments to Section 3862 apply for financial statements relating to fiscal years ending after September 30, 2009. The Company is assessing the impact of these amendments on its consolidated financial statements.

In January 2009, the CICA issued CICA Handbook Section 1582, Business Combinations, Section 1601, Consolidations, and Section 1602, Non-controlling Interests. These sections replace the former CICA Handbook Section 1581, Business Combinations and Section 1600, Consolidated Financial Statements and establish a new section for accounting for a non-controlling interest in a subsidiary. CICA Handbook Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.
CICA Handbook Section 1601 establishes standards for the preparation of consolidated financial statements.

CICA Handbook Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination.

CICA Handbook Section 1601 and Section 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year.

All three sections must be adopted concurrently. The Company is currently evaluating the impact of adopting the sections.

CICA Handbook Section 1625, has been amended as a result of issuing Sections, 1582 1601 and 1602. These amendments are effective for the Company for its interim and annual financial statements beginning after January 3, 2011. The Company is assessing the impact of these changes on its consolidated financial statements.

Convergence with International Financial Reporting Standards ("IFRS"). In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt IFRS for fiscal years beginning on or after January 1, 2011, with earlier adoption permitted. Accordingly, the conversion to IFRS will be applicable to the Company no later than the quarter ended November 30, 2011, with restatement of comparative information presented. The conversion to IFRS will impact the Company's accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. The transition may also impact business activities, such as foreign currency activities, certain contractual arrangements, capital requirements and compensation arrangements. The Company is currently evaluating the future impact of IFRS on its financial statements and wi ll continue to invest in training and additional resources to ensure a timely conversion.

Company's IFRS transition Plan

The Company is currently preparing its IFRS disclosure and documenting its transition plan. The conversion to IFRS is being led by the Company's Chief Financial Officer with expert assistance from PriceWaterhouseCoopers LLP. The members of the Company's finance group will execute the conversion project in accordance with the following phases:

Phase 1: Review and Assessment

In this phase, management will conduct a detailed review of all relevant IFRS standards to identify differences with the Company's current accounting policies and practices, give separate consideration of one-time accounting policy alternatives that must be addressed at the changeover date (IFRS 1 considerations), and address those accounting policy choices that will be applied on an ongoing basis in periods subsequent to the changeover to IFRS.

Management is currently in the 'review and assessment' stage and is evaluating the impact of IFRS on its financial statements and prioritizing those differences that could have a significant impact on our financial statements. Management expects to complete its review and assessment by the end of December 2010.

Phase 2: Implementation

In this phase, management will implement the changes to affected accounting policies and practices, business processes, systems and internal controls. The changes will be tested prior to the formal reporting requirements under IFRS to ensure all significant differences are properly addressed in time for the changeover.

This phase is scheduled to start in first quarter fiscal 2011, and will continue into calendar 2011, allowing management ample time to comply with reporting under IFRS in the first fiscal quarter of 2011 ended November 30, 2011.

Significant accounting impacts of conversion to IFRS

Management expects differences between Canadian GAAP and IFRS to impact the Company's accounting activities at varying degrees, some of which are dependent on policy-choice decisions available in the transition period. The Company's main objective in the selection of IFRS policies and transition elections is to become IFRS compliant while ensuring it provides meaningful and transparent information to stakeholders. The audit committee of the Company will be kept informed of management's decisions on accounting policy choices under IFRS, project status and significant IFRS developments.

The Company will complete its assessment of all the accounting policy differences that may arise on conversion to IFRS in early calendar 2011. The following is a summary of potential accounting policy differences that have been identified to date. The Company has not yet quantified the impact of these differences on its consolidated financial statements.

Exploration for and Evaluation of Mineral Resources

The Company is in the exploration and development stage and under Canadian GAAP currently capitalizes all costs related to the acquisition and exploration of its mining rights. Management regularly reviews the carrying value of mineral rights and deferred exploration costs for evidence of impairment, and when the carrying values are estimated to exceed their net recoverable amounts, a provision is made for the decline in value.

Under IFRS, specifically IFRS 6 "*exploration for and evaluation of mineral resources*," exploration and evaluation assets shall continue to be measured at cost, but the Company will have to determine an accounting policy specifying which expenditures are to be recognised as exploration and evaluation assets, and then apply that policy consistently. This standard will not apply to expenditures incurred for investigating properties before the Company has the legal right to explore the property and such costs will be expensed. The standard will also not apply to expenditures incurred in the development stage of a property once technical and economic feasibility are demonstrable and such costs will be capitalized.

In addition, under IFRS 6 and under International Accounting Standard (IAS) 36, "*Impairment of Assets*," the Company will be required to assess at the end of each reporting period whether there is any indication that the asset may be impaired. IFRS may also require the reversal of impairments if conditions that gave rise to those impairments no longer exist. Canadian GAAP prohibits reversal of impairment losses. It is expected therefore, that there will be increased volatility in impairment recognition due to increase in frequency of assessment and possibility of reversal of impairments.

Other impacts of conversion to IFRS: Information Technology and Data Systems, Internal Controls Over Financial Reporting, Disclosure Controls and Procedures, and Business Activities and Key Performance Measures

In addition to the impact of IFRS on accounting policies, management is also in the process of assessing the impact of IFRS adoption on the Company's internal controls over financial reporting, disclosure controls and procedures, information technology and data systems. As a preliminary assessment, the Company does not expect that the conversion to IFRS will have a significant impact on its accounting processes and internal controls (including information technology and data systems).

The conversion from Canadian GAAP to IFRS will require the implementation of a new set of accounting standards, and the internal controls over financial reporting will need to address the initial reporting of IFRS financial statements, including related note disclosures, as well as on-going financial reporting. As the review of the accounting policies is completed, appropriate changes to ensure the integrity of internal control over financial reporting will be made. For example, under IFRS 6 and IAS 36 (Impairment of Assets) discussed above, the Company will be required to assess at the end of each reporting period whether there is any indication that the asset may be impaired. Additional controls will need to be designed and implemented to ensure that the recorded balance is fairly stated at each reporting period. It is anticipated that such controls will include senior management oversight on the development of key assumptions and variables. The certifying officers plan to complete the design, and initially evaluate the effectiveness of these controls in early 2011 to prepare for certification under IFRS in the November 30, 2011 financial statements.

In the implementation phase of the IFRS conversion plan commencing in early 2011, the Company will be updating its disclosure controls and procedures to ensure they are appropriate for reporting under IFRS. The Company will also ensure that its key stakeholders are informed about the anticipated effects of the IFRS transition.

The Company does not expect the conversion to IFRS to have a significant impact on its risk management or other business activities. Currently, there are no matters that would be influenced by GAAP measures, such as debt covenants, capital requirements and compensation arrangements that would be impacted by the transition to IFRS.

A number of other differences between Canadian GAAP and IFRS have been identified but their applicability and potential impact to the Company have not yet been assessed, including the accounting for income taxes, foreign currency transactions, stock-based compensation, financial instruments and disclosure requirements. These differences may have a material impact on the Company's financial statements. A more detailed review of the impact of IFRS on the Company's consolidated financial statements is in progress and will be completed by early 2011.

Management will continue to monitor current IFRS developments as multiple changes are expected to come into effect as the Company transitions to IFRS.

6. LIQUIDITY AND CAPITAL RESOURCES

During the year the Company issued a total of 1,149,125 (2009 – 30,166,420) common shares for net cash proceeds of $1.15 million (2009 - $39.74 million). Cash proceeds are primarily spent on mineral property and surface right acquisitions, exploration and development as well as for general working capital purposes. The balance of cash outflows is made up of management and consulting fees and salaries, and other general and administrative expenses. The Company's primary source of capital has been from the sale of equity. At August 31, 2010 the Company had cash and cash equivalents on hand of $2.37 million compared to $32.97 million at August 31, 2009.

The Company receives lump sum cash advances at various times as laid out in agreed budgets from its partners to cover the costs of joint venture projects.

The following table discloses the Company's continual obligations for optional mineral property acquisition payments and contracted office and equipment lease obligations. Apart from a possible buy-out of the War Springs and Tweespalk projects, which optional acquisition payments are included in the following table, the Company has no other property acquisition payments due to vendors under mineral property option agreements. The Company has no long term debt or loan obligations.

Payments by period in Canadian Dollars					
	Total	**< 1 Year**	**1 – 3 Years**	**3 – 5 Years**	**> 5 Years**
Optional Subscription into Maseve[1]	$58,500,000	$58,500,000	$0	$ 0	$0
Optional Acquisition Payments (War Springs & Tweespalk)[2]	$3,215,000	$3,215,000	$0	$0	$0
Surface Rights Option[3]	$16,731,000	$16,731,000			
Lease Obligations	$33,873	$33,873	$ 1,694	$0	$0
Totals	**$78,479,873**	**$78,479,873**	**$1,694**	**$ 0**	**$ 0**

Explanatory Notes:

(1) The optional Maseve Subscription Right is denominated in Rand and is set at Rand 408.8 million (approx. $58.50 million on November 26, 2010). See above at item "2. Discussion of Operations and Financial Condition, a) Results of Operations" for details of the Maseve Subscription Right.

(2) The optional acquisition payments for the War Springs and Tweespalk properties are denominated in US dollars. See item 2. d) "Exploration Programs and Expenditures" above.

(3) The optional surface right acquisition for the land overlaying the area of the planned Project 1 Platinum Mine is set at Rand 117 million (approx. $16,731,000 on November 26, 2010).

Cash at August 31, 2010 is sufficient to fund the general operation costs of the Company for calendar 2010, but will be insufficient to cover all of the payments envisioned in the table above.

On October 1, 2010 the Company announced a bought deal financing for 61.0 million shares at a price of $2.05 per share for gross proceeds of $125.05 million. The underwriters received a commission of 5.5% of the gross proceeds of the Offering and were granted an over-allotment option for a further 15% of the shares issued under the Offering, also at $2.05 per share.

On November 3, 2010 the Company announced that a further 9.1 million shares were issued for gross proceeds of $18.76 million pursuant to the full exercise of the over-allotment option described above. The underwriters also received a commission of 5.5% of the gross proceeds from the over-allotment exercise.

The Company continues to discuss financing possibilities for the debt component of the Project 1 capital cost requirements with several large banks who have expressed interest to be involved. The October 2009 Updated Feasibility Study estimated a capital cost to build the Project 1 Platinum Mine at US $443 million on a 100% basis at a rate of 8 Rand to the US dollar.

7. OUTSTANDING SHARE DATA

The Company has an unlimited number of common shares authorized for issuance without par value. At August 31, 2010 there were 93,964,792 common shares outstanding, 5,000,500 incentive stock options outstanding at exercise prices of $1.40 to $4.40 and 12,537,150 common share purchase warrants outstanding all at a price of $1.75. At November 29, 2010 there were 168,641,692 common shares outstanding, 4,980,500 incentive stock options outstanding and 8,120,250 common share purchase warrants outstanding. Subsequent to August 31, 2010 a total of 4,416,900 common share purchase warrants were exercised at a price of $1.75. During the period ending August 31, 2010, the Company made no changes to the exercise price of outstanding options through cancellation and reissuance or otherwise.

8. DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings made pursuant to both U.S. Securities and Exchange Commission and Canadian Securities Administrators requirements are recorded, processed, summarized and reported in the manner specified by the relevant securities laws applicable to the Company. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the applicable securities legislation is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Company operates in both Canada and the Republic of South Africa and work is ongoing to improve and modernize these controls and to ensure that they remain consistently applied in both jurisdictions. The Chief Executive Officer and the Chief Financial Officer have evaluated the Company's disclosure control procedures as of August 31, 2010 through inquiry, review, and testing, as well as by drawing upon their own relevant experience. The Company retained an independent third party specialist in 2009 to assist in the assessment of its disclosure control procedures. The Chief Executive Officer and the Chief Financial Officer have concluded that, as at August 31, 2010, the Company's disclosure control procedures were effective. Management is also developing and implementing a plan to address disclosure controls and procedures on a forward looking basis as the Company continues to grow.

In recent years the Company has taken steps to improve segregation of duties and the authorization process through the addition of accounting personnel; reviewed and refined internal control processes; adopted and published new corporate governance policies; reviewed and improved general controls over information technology; and enhanced financial control over period close processes. During the period ended August 31, 2010 there were no significant changes with regard to internal control over financial reporting that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, and evaluating the effectiveness of the Company's internal control over financial reporting as at each fiscal year end. Management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of the Company's internal control over financial reporting as at August 31, 2010. Based on this evaluation, management has concluded that as at August 31, 2010, the Company's internal control over financial reporting was not effective due to the material weakness noted below.

Management has concluded it did not maintain effective controls related to the accounting for the dissolution of the WBJV. Specifically, although the company's controls are designed effectively, the Company's controls did not operate effectively to identify the correct tax attributes arising on the transaction, resulting in the Company initially estimating that the tax basis of the WBJV was approximately equal to the carrying amount on the consolidated financial statements of the Company for the third quarter ended May 31, 2010. Accordingly, management has determined that this control deficiency constitutes a material weakness.

The Company has performed further analysis and now estimates a taxable temporary difference arising from the restructuring of the WBJV and the deemed sale for accounting purposes of WBJV Project 2 to Wesizwe for an additional interest in Maseve. Going forward, the Company's internal controls relating to non-routine transactions will, where the company believes necessary, include consultations with external experts to ensure that non-routine transactions are recorded and accounted for in accordance with GAAP. Management believes that the material weakness has been remediated, subject to testing in fiscal 2011 as part of the Company's annual assessment of the effectiveness of internal control over financial reporting.

The Company's evaluation of internal control over financial reporting has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, who have expressed their opinion in their report included with the Company's annual consolidated financial statements.

9. NYSE AMEX LLC CORPORATE GOVERNANCE

The Company's common shares are listed on the NYSE AMEX LLC (formerly the American Stock Exchange) ("NYSE-AMEX"). Section 110 of the NYSE-AMEX company guide permits NYSE-AMEX to consider the laws, customs and practices of foreign issuers in relaxing certain AMEX listing criteria, and to grant exemptions from NYSE-AMEX listing criteria based on these considerations. A company seeking relief under these provisions is required to provide written certification from independent local counsel that the non-complying practice is not prohibited by home country law. A description of the significant ways in which the Company's governance practices differ from those followed by domestic companies pursuant to NYSE-AMEX standards is posted on the Company's website at www.platinumgroupmetals.net and a copy of such description is available by written request made to the Company.

10. OTHER INFORMATION

Additional information relating to the Company, including the Company's Annual Information Form for the year ended August 31, 2010, may be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

11. SUBSEQUENT EVENTS

Subsequent events of a non-material nature may be discussed elsewhere within this document. Details of specific subsequent events are as follows:

(a) Resource Update Project 3

On September 30, 2010 the Company announced an updated resource estimate for Project 3 of the WBJV. The new resource calculation estimates 1.938 million 4E ounces (platinum, palladium, rhodium and gold) in the indicated category and 21,000 4E ounces in the inferred category. Earlier resource calculations estimated a project total of 1.9 million inferred ounces.

(b) Bought Deal Financing

On October 22, 2010 the Company announced that it had closed a bought deal financing involving the sale of 61.0 million shares at a price of $2.05 per share for gross proceeds of $125.05 million. The underwriters received a commission of 5.5% of the gross proceeds of the Offering and were granted an over-allotment option for a further 15% of the shares issued under the Offering, also at $2.05 per share.

On November 3, 2010 the Company announced that a further 9.1 million shares were issued for gross proceeds of $18.76 million pursuant to the full exercise of the over-allotment option described above. The underwriters also received a commission of 5.5% of the gross proceeds from the over-allotment exercise.

(c) Warrant Exercises

Subsequent to August 31, 2010 until November 29, 2010, 4,416,900 common share purchase warrants have been exercised at a price of $1.75 per share. A total of 12,537,150 common share purchase warrants were issued at $1.75 as a part of the placement on June 16, 2009 as described above. These warrants have an expiry date of December 16, 2010.

(d) Grant of Incentive Stock Options

On November 26, 2010 the Company granted 2,952,500 incentive stock options to directors, officers, employees and consultants of the Company at a price of $2.10 per share for a term of five years.

12. LIST OF DIRECTORS AND OFFICERS

a) Directors:

R. Michael Jones
Frank R. Hallam (Secretary)
Iain McLean
Eric Carlson
Barry W. Smee

b) Officers:

R. Michael Jones (Chief Executive Officer)
Frank R. Hallam (Chief Financial Officer)
Peter C. Busse (Chief Operating Officer)

Rule 13a-14(a) Certification

I, R. Michael Jones, certify that:

1. I have reviewed this annual report on Form 40-F of Platinum Group Metals Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: November 29, 2010

/s/ R. Michael Jones

R. Michael Jones
President, Chief Executive Officer and Director

Rule 13a-14(a) Certification

I, Frank R. Hallam, certify that:

1. I have reviewed this annual report on Form 40-F of Platinum Group Metals Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: November 29, 2010

/s/ Frank R. Hallam

Frank R. Hallam
Chief Financial Officer and Director

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Platinum Group Metals Ltd. (the "Company") on Form 40-F for the period ended August 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, R. Michael Jones, President, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ R. Michael Jones
R. Michael Jones
President, Chief Executive Officer and Director
November 29, 2010

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Platinum Group Metals Ltd. (the "Company") on Form 40-F for the period ended August 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank R. Hallam, Chief Financial Officer and Director of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Frank R. Hallam
Frank R. Hallam
Chief Financial Officer and Director
November 29, 2010

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Annual Report on Form 40-F of Platinum Group Metals Ltd. of our report dated November 29, 2010 relating to the consolidated balance sheets as of August 31, 2010 and 2009 and related consolidated statements of operations and comprehensive income, shareholders' equity, and cash flows for each of the three years ended August 31, 2010 and the effectiveness of internal control over financial reporting as of August 31, 2010 which appears in the Annual Report to Shareholders.

PricewaterhouseCoopers LLP (signed)

PricewaterhouseCoopers LLP
Chartered Accountants
Vancouver, British Columbia
November 29, 2010

CONSENT OF EXPERT

Reference is made to the Annual Report on Form 40-F (the "40-F") of Platinum Group Metals Ltd. (the "Company") for the fiscal year ended August 31, 2010 to be filed with the United States Securities and Exchange Commission pursuant to the United States Securities Exchange Act of 1934, as amended, and the Annual Information Form (the "AIF") and Management's Discussion and Analysis ("MD&A") of the Company for the year then ended, which are incorporated by reference therein.

Each of the undersigned hereby consents to the references to, and the information derived from, the reports titled "Revised Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)" dated June 10, 2009, "Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)" dated July 7, 2008 and "Competent Persons Report on Project 3 of the Western Bushveld Joint Venture (WBJV) Located on the Western Limb of the Bushveld Igneous Complex, South Africa" dated June 9, 2008 and to the references, as applicable, to the undersigned's name in the 40-F, the AIF and the MD&A.

Minxcon (Pty) Ltd

By: Minxcon
Name: Charles Muller
Title: Director

Date: November 26, 2010

/s/ Charles J. Muller
Charles J. Muller

Date: November 26, 2010

CONSENT OF EXPERT

Reference is made to the Annual Report on Form 40-F (the "40-F") of Platinum Group Metals Ltd. (the "Company") for the fiscal year ended August 31, 2010 to be filed with the United States Securities and Exchange Commission pursuant to the United States Securities Exchange Act of 1934, as amended, and the Annual Information Form (the "AIF") and Management's Discussion and Analysis ("MD&A") of the Company for the year then ended, which are incorporated by reference therein.

Each of the undersigned hereby consents to the references to, and the information derived from, the report titled "Technical Report (Updated Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)" dated October 8, 2009, "Revised Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)" dated June 10, 2009 and "Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein And Frischgewaagd)" dated July 7, 2008 and to the references, as applicable, to the undersigned's name in the 40-F, the AIF and the MD&A.

Turnberry Projects (Pty) Ltd.

By: Turnberry Projects
Name: Gordon Cunningham
Title: Managing Director
Date: November 26, 2010

/s/ Gordon Cunningham
Gordon I. Cunningham
Date: November 26, 2010

CONSENT OF EXPERT

Reference is made to the Annual Report on Form 40-F (the "40-F") of Platinum Group Metals Ltd. (the "Company") for the fiscal year ended August 31, 2010 to be filed with the United States Securities and Exchange Commission pursuant to the United States Securities Exchange Act of 1934, as amended, and the Annual Information Form (the "AIF") and Management's Discussion and Analysis ("MD&A") of the Company for the year then ended, which are incorporated by reference therein.

The undersigned hereby consents to the references to, and the information derived from, the report titled "Revised Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)" dated June 10, 2009 and "Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)" dated July 7, 2008 and to the references, if any, to the undersigned's name in the 40-F, the AIF and the MD&A.

Wardrop Engineering Inc.

By: Wardrop
Name: Byron Stewart
Title: Consultant

Date: November 26, 2010

/s/ Byron Stewart
Byron Stewart

Date: November 26, 2010

PLATINUM GROUP METALS

PLG:AMEX PTM:TSX

News Release

No. 1
November 29

Platinum Group Reports 2010 Annual Financial Results

(Vancouver/Johannesburg) **Platinum Group Metals Ltd.** (PTM-TSX; PLG-NYSE AMEX) ("Platinum Group" or the "Company") announces the publication of the Company's financial results for the year ending August 31, 2010. For more details of the August 31, 2010 Consolidated Financial Statements and Management's Discussion and Analysis please see the Company's filings on SEDAR (www.sedar.com) or on EDGAR (www.sec.gov). Shareholders are encouraged to visit the Company's website atwww.platinumgroupmetals.net. Shareholders may request a copy of the complete audited 2010 Consolidated Financial Statements from the Company free of charge.

The Company's cash position at August 31, 2010 was $2.37 million. At November 29, 2010 the Company's cash position is approximately $144 million. All amounts herein are reported in Canadian dollars unless otherwise specified.

Highlights For The Year

An updated feasibility study was completed in October 2009 on the advanced Project 1 Platinum Mine on the Western Bushveld Complex, scheduling for a 275,000 ounce per year, 22 year life mine operation with robust indicated economics. Project 1 and Project 3 host high grade Platinum Group Metals reserves and resources.

On April 22, 2010 the company completed a transaction with the then joint venture partners Anglo Platinum and Wesizwe Platinum whereby the Company may increase its effective interest in its core Projects 1 and 3 to 74%.

During 2010 the Japan Oil, Gas and Metals National Corporation ("JOGMEC") funded exploration on the Company's War Springs and Waterberg projects located on the North Limb of the Bushveld Complex. JOGMEC can earn a 35% project interest in War Springs by spending US $10 million for exploration and a 37% interest in Waterberg by funding US $3.2million for exploration. To August 31, 2010 JOGMEC had completed work valued at $2.18 million on War Springs and $555,252 on Waterberg. At year end the Company held $423,456 in funds advanced by JOGMEC to fund ongoing drilling programs on these two projects.

On August 12, 2010 the Company acquired an option to purchase surface rights covering 1,713 hectares, including accommodation facilities and overlaying the area of the planned Project 1 Platinum Mine, for Rand 130.0 million (approx. $18.80 million at the time). A non-refundable deposit of Rand 13.0 million (approx. $1.88 million at the time) was paid to the vendor on August 26, 2010. Including three other surface rights purchased in prior years the Company now controls almost 2,700 ha overlying and adjacent to the Project 1 Platinum Mine.

During 2010 the Company considered several strategic options. The Company determined that the best path for value was to commence construction of the Project 1 Platinum Mine. After year end, on October 22, 2010 and November 3, 2010, the Company closed a bought deal financing and then an over-allotment issuing an aggregate 70.1 million shares for gross proceeds of $143.81 million. The Company has since appointed an experienced Project Manager and is in the process to appoint an EPCM contractor and an Underground Mining contractor. Permitting, infrastructure planning and development activities are now underway.

During 2010 the Company was added to the Russell Global and the S&P/TSX Small Cap market benchmark indices, helping to raise the Company's profile in the capital markets.

Results For The Year

Accounts receivable at August 31, 2010 totalled $1.27 million (2009 - $344,538) while accounts payable amounted to $1.40 million (2009 - $861,041). Accounts receivable were comprised primarily of value added taxes repayable to the Company in Canada and in South Africa. Accounts payable included accrued professional fees, strategic advisory fees, engineering fees and regular trade payables for ongoing exploration costs and administration.

Total global exploration and engineering expenditures for the Company's account during the year totaled $1.22 million (2009 - $1.47 million). Of this amount $935,407 was for development and exploration on Projects 1 and 3 (2009 - $1.24 million) and $287,571 was for other exploration (2009 - $231,797). Total expenditures on Projects 1 and 3 during the year by all partners amounted to $2.38 million (2009 - $2.35 million).

During the year ended August 31, 2010 the Company had net income of $26.66 million. The current year's income includes a $2.80 million gain on sale of marketable securities and a gain for accounting purposes of $45.62 million on the rescission of the Company's rights in Project 2 to Wesizwe Platinum as a part of the April 22, 2010 transaction described above. Earnings per share for 2010 amounted to $0.29 per share as compared to a loss of $6.96 million or $0.10 per share for fiscal 2009.

Net income for the year includes a non-cash charge for stock based compensation of $137,600 (2009 - $2.10 million). Excluding stock based compensation, general overhead and administration costs for the period amounted to $7.65 million (2009 - $5.33 million). Professional fees of $1.99 million (2009 - $1.08 million) and management and consulting fees of $1.30 million (2009 - $1.11 million) were higher than last year due to the engagement of legal, strategic and tax advisors involved with the April 22, 2010 transaction described above and with the Company's strategic initiatives. Salaries and benefits expense increased from $1.62 million at August 31, 2009 to $1.89 million in fiscal 2010. The increase was due to lower deferrals to capital costs for Projects 1 and 3 this year. The actual cash cost of salaries and benefits did not increase. Net interest income earned amounted to $442,142 (2009 - $139,548).

Outlook

The general outlook for the year ahead is positive as precious metals and equity markets have improved from previous years. The Company plans to commence development of Project 1 in 2011. Initial activities will include finalizing the purchase of surface rights and facilities and the commencement of surface and earth works, including pads, lay down areas, a box cut, decline access and limited level development.

The Company is currently in discussions with major banking interests with regard to debt financing for Project 1. The Company hopes to have such arrangements in place during 2011.

In 2011 the Company plans to continue working with the joint venture partner funding to conduct exploration on the War Springs, Waterberg and Sable projects. In 2011 the Company plans to conduct further exploration work on its Canadian properties located near Thunder Bay, Ontario.

About Platinum Group Metals Ltd.

Platinum Group is based in Vancouver BC, Canada and Johannesburg, South Africa. Platinum Group has a management team in both Canada and South Africa, which have successful track records of more than 20 years each in exploration, mine discovery, mine construction and mine operations. The Company was formed in 2000 and amalgamated in 2002 and is focused on the development of platinum operations.

On behalf of the Board of
Platinum Group Metals Ltd.

"Frank R. Hallam"

Chief Financial Officer and Director

For further information contact:
R. Michael Jones, President
or Kris Begic, Corporate Development
Platinum Group Metals Ltd., Vancouver
Tel: (604) 899-5450 / Toll Free: (866) 899-5450

The Toronto Stock Exchange and the New York Stock Exchange - AMEX have not reviewed and do not accept responsibility for the accuracy or adequacy of this news release, which has been prepared by management.

This press release contains forward-looking statements within the meaning of Canadian and U.S. securities laws. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. All statements that are not statements of historical fact are forward-looking statements. Forward-looking statements in this press release include, without limitation, statements regarding the timing of any debt/financing for Project 1, the potential to increase the Company's interest in certain of its projects and further exploration on the Company's properties. In addition, the results of the feasibility study may constitute forward-looking statements to the extent that they reflect estimates of mineralization, capital and operating expenses, metal prices and other factors. Although the Company believes the forward-looking statements in t his press release are reasonable, it can give no assurance that the expectations and assumptions in such statements will prove to be correct. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, variations in market conditions, the nature, quality and quantity of any mineral deposits that may be located, the Company's ability to obtain any necessary permits, consents or authorizations required for its activities, the Company's ability to produce minerals from its properties successfully or profitably, to continue its projected growth, or to be fully able to implement its business strategies and other risk factors described in he Company's Form 40-F annual report, annual information form and other filings with the SEC and Canadian securities regulators, which may be viewed at www.sec.gov and www.sedar.com, respectively.