



# **Platmin Limited**

*(A development stage company)*

**Condensed Consolidated Interim Financial Statements**  
**for the three and six month periods ended June 30, 2010 and May 31, 2009**  
*(Unaudited, expressed in United States dollars, unless otherwise stated)*

# Platmin Limited

(A development stage company)



## Condensed consolidated interim statement of financial position as on June 30, 2010

(Unaudited, expressed in U.S. dollars, unless otherwise stated)

|  | Notes | Jun 30,<br>2010<br>\$ 000 | May 31,<br>2009<br>\$ 000 | Dec 31,<br>2009<br>\$ 000 | Feb 28,<br>2009<br>\$ 000 |
|--|-------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>ASSETS</b>                                      |       |                           |                           |                           |                           |
| <b>Non-current assets</b>                          |       |                           |                           |                           |                           |
| Mining assets                                      |       | 42,980                    | 38,623                    | 43,454                    | 30,097                    |
| Intangible assets                                  |       | 12,286                    | 6,760                     | 9,348                     | 5,630                     |
| Property, plant and equipment                      | 5     | 470,341                   | 306,889                   | 422,471                   | 187,843                   |
| Loans receivable                                   |       | 51                        | 41                        | 50                        | 35                        |
| Restricted cash – cash collateral and guarantees   | 6     | 24,553                    | 5,021                     | 7,163                     | 2,497                     |
| <b>Total non-current assets</b>                    |       | <b>550,211</b>            | <b>357,334</b>            | <b>482,486</b>            | <b>226,102</b>            |
| <b>Current assets</b>                              |       |                           |                           |                           |                           |
| Inventories  | 7     | 10,962                    | 7,697                     | 9,849                     | 6,943                     |
| Accounts and other receivables                     |       | 29,926                    | 9,057                     | 28,452                    | 8,506                     |
| Restricted cash                                    | 6     | 135,027                   | -                         | -                         | -                         |
| Cash and cash equivalents                          | 8     | 212,931                   | 145,078                   | 29,375                    | 127,950                   |
| <b>Total current assets</b>                        |       | <b>388,846</b>            | <b>161,832</b>            | <b>67,676</b>             | <b>143,399</b>            |
| <b>TOTAL ASSETS</b>                                |       | <b>939,057</b>            | <b>519,166</b>            | <b>550,162</b>            | <b>369,501</b>            |
| <b>EQUITY AND LIABILITIES</b>                      |       |                           |                           |                           |                           |
| <b>Equity attributable to owners of the parent</b> |       |                           |                           |                           |                           |
| Share capital                                      |       | 667,058                   | 425,535                   | 425,535                   | 366,180                   |
| Accumulated deficit                                |       | (59,274)                  | (40,337)                  | (35,002)                  | (27,360)                  |
| Other components of equity                         |       | 90,045                    | 45,204                    | 82,587                    | (29,939)                  |
|  |       | 697,829                   | 430,402                   | 473,120                   | 308,881                   |
| <b>Non-controlling interests</b>                   |       | <b>(25,026)</b>           | <b>(17,226)</b>           | <b>(20,091)</b>           | <b>(16,618)</b>           |
| <b>Total equity</b>                                |       | <b>672,803</b>            | <b>413,176</b>            | <b>453,029</b>            | <b>292,263</b>            |
| <b>Non-current liabilities</b>                     |       |                           |                           |                           |                           |
| Long-term borrowings                               |       | 3,889                     | 3,310                     | 3,817                     | 2,121                     |
| Finance lease liability                            | 10    | 8,626                     | 11,642                    | 12,282                    | -                         |
| Decommissioning and rehabilitation provision       | 11    | 74,100                    | 21,550                    | 52,744                    | 12,791                    |
| <b>Total non-current liabilities</b>               |       | <b>86,615</b>             | <b>36,502</b>             | <b>68,843</b>             | <b>14,912</b>             |
| <b>Current liabilities</b>                         |       |                           |                           |                           |                           |
| Trade payables and accrued liabilities             |       | 18,236                    | 19,455                    | 22,144                    | 23,574                    |
| Revolving commodity facility                       | 12    | 2,985                     | -                         | 5,854                     | -                         |
| Current portion of finance lease liability         | 10    | 115                       | 163                       | 292                       | -                         |
| Current portion of long-term borrowings            | 13    | 26,561                    | 49,870                    | -                         | 38,752                    |
| Convertible debenture                              | 14    | 131,742                   | -                         | -                         | -                         |
| <b>Total current liabilities</b>                   |       | <b>179,639</b>            | <b>69,488</b>             | <b>28,290</b>             | <b>62,326</b>             |
| <b>Total liabilities</b>                           |       | <b>266,254</b>            | <b>105,990</b>            | <b>97,133</b>             | <b>77,238</b>             |
| <b>TOTAL EQUITY AND LIABILITIES</b>                |       | <b>939,057</b>            | <b>519,166</b>            | <b>550,162</b>            | <b>369,501</b>            |

### NATURE OF OPERATIONS AND GOING CONCERN

1

The accompanying notes are an integral part of the condensed consolidated interim financial statements

**Platmin Limited**  
(A development stage company)



**Condensed consolidated interim statement of income**  
*for the three and six months ended June 30, 2010*

(Unaudited, expressed in U.S. dollars, unless otherwise stated)

|   | Notes | For the three months ended |                        | For the six months ended |                        |
|---|-------|----------------------------|------------------------|--------------------------|------------------------|
|   |       | Jun 30, 2010<br>\$ 000     | May 31, 2009<br>\$ 000 | Jun 30, 2010<br>\$ 000   | May 31, 2009<br>\$ 000 |
| General expenses  | 15    | (4,922)                    | (3,353)                | (9,315)                  | (16,069)               |
| Other income and expenses (net)   | 15    | (16,407)                   | (10,218)               | (16,416)                 | (8,710)                |
| Finance costs   |       | (2,697)                    | (14)                   | (3,476)                  | (1,296)                |
| <b>Loss before taxation</b>   |       | <b>(24,026)</b>            | <b>(13,585)</b>        | <b>(29,207)</b>          | <b>(26,075)</b>        |
| Income tax expense  |       | -                          | -                      | -                        | -                      |
| <b>LOSS FOR THE PERIOD</b>  |       | <b>(24,026)</b>            | <b>(13,585)</b>        | <b>(29,207)</b>          | <b>(26,075)</b>        |
| <i>Loss attributable to:</i>  |       |                            |                        |                          |                        |
| Owners of the parent  |       | (20,675)                   | (12,977)               | (24,272)                 | (24,471)               |
| Non-controlling interest  |       | (3,351)                    | (608)                  | (4,935)                  | (1,604)                |
|   |       | <b>(24,026)</b>            | <b>(13,585)</b>        | <b>(29,207)</b>          | <b>(26,075)</b>        |
| <i>Loss per share (in currency units) attributable to owners of the parent:</i> |       |                            |                        |                          |                        |
| Basic and diluted   | 16    | (0.04)                     | (0.03)                 | (0.05)                   | (0.07)                 |

*The accompanying notes are an integral part of the condensed consolidated interim financial statements*

**Condensed consolidated interim statement of comprehensive income**  
*for the three and six months ended June 30, 2010*

(Unaudited, expressed in U.S. dollars, unless otherwise stated)

|  | Notes | For the three months ended |                           | For the six months ended  |                           |
|--|-------|----------------------------|---------------------------|---------------------------|---------------------------|
|  |       | Jun 30,<br>2010<br>\$ 000  | May 31,<br>2009<br>\$ 000 | Jun 30,<br>2010<br>\$ 000 | May 31,<br>2009<br>\$ 000 |
| Loss for the period  |       | (24,026)                   | (13,585)                  | (29,207)                  | (26,075)                  |
| <b>Other comprehensive income / (expenses) (net of tax)</b>                    |       | <b>22,811</b>              | <b>(74,400)</b>           | <b>20,219</b>             | <b>(75,417)</b>           |
| Exchange gain / (loss) on translation from functional to presentation currency |       | 22,811                     | (74,400)                  | 20,219                    | (75,417)                  |
| Income tax relating to components of other comprehensive income                |       | -                          | -                         | -                         | -                         |
| <b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>                      |       | <b>(1,215)</b>             | <b>(87,985)</b>           | <b>(8,988)</b>            | <b>(101,492)</b>          |
| <i>Total comprehensive (loss) / income attributable to:</i>                    |       |                            |                           |                           |                           |
| Owners of the parent   |       | 2,136                      | (87,377)                  | (4,053)                   | (99,888)                  |
| Non-controlling interest   |       | (3,351)                    | (608)                     | (4,935)                   | (1,604)                   |
|  |       | <b>(1,215)</b>             | <b>(87,985)</b>           | <b>(8,988)</b>            | <b>(101,492)</b>          |

*The accompanying notes are an integral part of the condensed consolidated interim financial statements*

# Platmin Limited

(A development stage company)



## Condensed consolidated interim statement of changes in shareholders' equity for the three and six months ended June 30, 2010

(Unaudited, expressed in U.S. dollars, unless otherwise stated)

|                                     | Equity attributable to the shareholders |                 |                             |            |                                      |                | Non-controlling interest | Total Equity   |
|-------------------------------------|---|-----------------|-----------------------------|------------|--------------------------------------|----------------|--------------------------|----------------|
|                                     | Share Capital                           | Deficit         | Share Based Payment Reserve | Warrants   | Foreign Currency Translation Reserve | Subtotal       |                          |                |
|                                     | \$ 000                                  | \$ 000          | \$ 000                      | \$ 000     | \$ 000                               | \$ 000         |                          |                |
| <b>Balance at February 28, 2009</b> | <b>366,180</b>                          | <b>(27,360)</b> | <b>7,329</b>                | <b>846</b> | <b>(38,114)</b>                      | <b>308,881</b> | <b>(16,618)</b>          | <b>292,263</b> |
| Shares issued                       | 59,355                                  | -               | -                           | -          | -                                    | 59,355         | -                        | 59,355         |
| Loss for the period                 | -                                       | (7,642)         | -                           | -          | -                                    | (7,642)        | (3,473)                  | (11,115)       |
| Stock based compensation            | -                                       | -               | 2,838                       | -          | -                                    | 2,838          | -                        | 2,838          |
| <b>Other comprehensive income:</b>  |   |                 |                             |            |                                      |                |                          |                |
| Currency translation adjustment     | -                                       | -               | -                           | -          | 109,688                              | 109,688        | -                        | 109,688        |
| <b>Balance at December 31, 2009</b> | <b>425,535</b>                          | <b>(35,002)</b> | <b>10,167</b>               | <b>846</b> | <b>71,574</b>                        | <b>473,120</b> | <b>(20,091)</b>          | <b>453,029</b> |
| Shares issued                       | 241,523                                 | -               | -                           | -          | -                                    | 241,523        | -                        | 241,523        |
| Loss for the period                 | -                                       | (24,272)        | -                           | -          | -                                    | (24,272)       | (4,935)                  | (29,207)       |
| Stock based compensation *          | -                                       | -               | 27,677                      | -          | -                                    | 27,677         | -                        | 27,677         |
| <b>Other comprehensive income:</b>  |   |                 |                             |            |                                      |                |                          |                |
| Currency translation adjustment     | -                                       | -               | -                           | -          | (20,219)                             | (20,219)       | -                        | (20,219)       |
| <b>Balance at June 30, 2010</b>     | <b>667,058</b>                          | <b>(59,274)</b> | <b>37,844</b>               | <b>846</b> | <b>51,355</b>                        | <b>697,829</b> | <b>(25,026)</b>          | <b>672,803</b> |

Note 9

\* The movement includes stock based compensation of US\$1.013 million relating to the vesting of share options and US\$26.664 million relating to the fair value of the convertible debenture issued.

The accompanying notes are an integral part of the condensed consolidated interim financial statements

# Platmin Limited

(A development stage company)



## Condensed consolidated interim statement of cashflows for the three and six months ended June 30, 2010

(Unaudited, expressed in U.S. dollars, unless otherwise stated)

|   | Notes | For the three months ended |                           | For the six months ended  |                           |
|---|-------|----------------------------|---------------------------|---------------------------|---------------------------|
|   |       | Jun 30,<br>2010<br>\$ 000  | May 31,<br>2009<br>\$ 000 | Jun 30,<br>2010<br>\$ 000 | May 31,<br>2009<br>\$ 000 |
| <b>Cash flows from operating activities</b>                     |       |                            |                           |                           |                           |
| Cash receipts from customers                                    |       | 19,879                     | -                         | 35,609                    | -                         |
| Cash paid to suppliers and employees                            |       | (46,075)                   | (32,333)                  | (88,285)                  | (39,189)                  |
| <i>Cash utilized in operations</i>                              |       | (26,196)                   | (32,333)                  | (52,676)                  | (39,189)                  |
| Interest received   |       | 432                        | 824                       | 749                       | (4,022)                   |
| Interest paid   |       | (307)                      | (669)                     | (679)                     | (494)                     |
| <i>Net cash utilized in operating activities</i>                |       | <b>(26,071)</b>            | <b>(32,178)</b>           | <b>(52,606)</b>           | <b>(43,705)</b>           |
| <b>Cash flows from investing activities</b>                     |       |                            |                           |                           |                           |
| Purchase of property, plant and equipment                       |       | 517                        | (33,934)                  | (697)                     | (69,470)                  |
| Additions to intangible assets                                  |       | (1,065)                    | -                         | (1,165)                   | (5,850)                   |
| Increase in rehabilitation investment                           |       | (17,128)                   | (1,621)                   | (17,658)                  | (2,676)                   |
| Increase in cash investments                                    |       | -                          | -                         | -                         | -                         |
| Increase in deferred exploration expenses                       |       | (495)                      | (732)                     | (909)                     | (1,975)                   |
| <i>Net cash utilized in investing activities</i>                |       | <b>(18,171)</b>            | <b>(36,287)</b>           | <b>(20,429)</b>           | <b>(79,971)</b>           |
| <b>Cash flows from financing activities</b>                     |       |                            |                           |                           |                           |
| Increase in loans payable                                       |       | 12,645                     | 481                       | 25,478                    | 1,028                     |
| Decrease in finance lease liability                             |       | (451)                      | (322)                     | (911)                     | (310)                     |
| Decrease in revolving commodity facility                        |       | (8,592)                    | -                         | (3,654)                   | -                         |
| Realised foreign exchange (losses) / gains                      |       | (1)                        | 2,699                     | (2)                       | 2,600                     |
| Decrease in loans receivable                                    |       | -                          | -                         | -                         | 12                        |
| Proceeds from issue of shares                                   |       | 238,809                    | 52,306                    | 239,352                   | 229,317                   |
| <i>Net cash generated from financing activities</i>             |       | <b>242,410</b>             | <b>55,164</b>             | <b>260,263</b>            | <b>232,647</b>            |
| <b>Net (decrease) / increase in cash and cash equivalents</b>   |       |                            |                           |                           |                           |
|   |       | 198,168                    | (13,301)                  | 187,228                   | 108,971                   |
| Net foreign exchange differences                                |       | (3,129)                    | 30,429                    | (3,672)                   | 25,490                    |
| <b>Cash and cash equivalents at the beginning of the period</b> | 8     | 17,892                     | 127,950                   | 29,375                    | 10,617                    |
| <b>Cash and cash equivalents at the end of the period</b>       | 8     | <b>212,931</b>             | <b>145,078</b>            | <b>212,931</b>            | <b>145,078</b>            |

The accompanying notes are an integral part of the condensed consolidated interim financial statements

# Platmin Limited

(A development stage company)



## Notes to the condensed consolidated interim financial statements for the three and six months ended June 30, 2010

(Unaudited, expressed in U.S. dollars, unless otherwise stated)

### 1. Nature of operations and going concern

Platmin Limited (the "Company") and its subsidiaries (the "Group") is a development stage Natural Resources Group engaged in the acquisition, exploration and development of Platinum Group Elements ("PGE") properties in the Republic of South Africa.

The Company was incorporated under the Canada Business Corporation Act on May 29, 2003. The Company has continued as a company under the Business Corporations Act of British Columbia, Canada effective April 1, 2009. Its Common Shares are listed on the Toronto Stock Exchange ("TSX") and the Alternative Investment Market of the London Stock Exchange ("AIM"). The Company trades under the symbol "PPN" on both exchanges. On July 22, 2009, the Company listed on the Johannesburg Securities Exchange Limited ("JSE") with the symbol "PLN".

These condensed consolidated interim financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

The Group changed its financial year end from the last day of February in each calendar year to the last day of December, effective for the period ending December 31, 2009. As a result of the change in year end, the comparative amounts are not directly comparable with the current balances.

For the three months ended June 30, 2010 the Group incurred a loss of US\$24.026 million and as at June 30, 2010 had an accumulated deficit of US\$59.274 million. There are approximately US\$14.988 million (ZAR114.037 million) in existing development commitments for completion of the Pilanesberg project's Pilanesberg Platinum Mines ("PPM") as at June 30, 2010. The Group is dependent on the successful completion of PPM to generate cash flows in order to fund its operations and pay debt as it becomes due. Such circumstances may lend to substantial doubt as to the ability of the Group to meet its obligations as they become due and accordingly the appropriateness of the use of the accounting principles applicable to a going concern.

The Group raised US\$241.523 million in capital by way of a private placement during May 2010 and had US\$212.931 million in cash and cash equivalents at June 30, 2010 to fund development activities and meet its contractual obligations.

The Company's financing efforts to date, while substantial, may not be sufficient in and of themselves to enable the Company to fund all aspects of its operations when taking into consideration forecasted revenue streams based upon planned production. Management expects that the Company will be able to secure the necessary financing to meet the Company's requirements on an ongoing basis. Nevertheless, there is no assurance that these initiatives will be successful or sufficient. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments to the carrying values of the assets and liabilities, the reported expenses and the statement of financial position classifications, which could be material, may be necessary.

### 2. Statement of compliance

The unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2010 have been prepared in accordance with the recognition and measurement requirements of IFRS and the presentation and disclosure requirements of International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. These interim results do not include all the information required for the full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the period ended December 31, 2009.

The unaudited condensed consolidated interim financial statements, which have been prepared on the going concern basis, were approved by the Board of Directors on August 6, 2010.

This set of unaudited condensed consolidated interim financial statements has not been audited by the Group's auditors and thus no audit report was issued.

The financial statements are presented in US dollars, rounded to the nearest thousand.

**Notes to the condensed consolidated interim financial statements  
for the three and six months ended June 30, 2010**

(Unaudited, expressed in U.S. dollars, unless otherwise stated)

**3. Accounting policies**

The accounting policies applied by the Group in these unaudited condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the period ended December 31, 2009.

**4. Segmented information**

Management has determined the operating segments based on the reports reviewed by the executive committee that are used to make strategic decisions.

The committee considers the business from an operating perspective. The Group operates in one geographic segment, the Republic of South Africa. The operating segments comprise the following:

**Mining operation:** PPM is currently in an advanced development and build-up stage. This mine is involved in the mining and processing of platinum group elements.

**Development and exploration operations:** The Group is engaged in a number of other development and exploration projects within the Republic of South Africa.

**Administrative operations:** The Group administration is done at the local corporate office based in Centurion, the Metropolitan City of Tshwane in the Republic of South Africa.

Although the development and exploration as well as administrative operations do not meet the quantitative thresholds required by IFRS 8 – Segment reporting, management has concluded that these segments should be reported, as it is closely monitored by the executive committee. The development and exploration segment is earmarked as the growth area for the Group.

The segment information provided to the committee for the reportable segments for the six month periods ended is as follows:

| Amounts in \$ '000   | Mining       |              | Development and exploration |              | Administration |              | Consolidated |              |
|--|--------------|--------------|-----------------------------|--------------|----------------|--------------|--------------|--------------|
|  | Jun 30, 2010 | May 31, 2009 | Jun 30, 2010                | May 31, 2009 | Jun 30, 2010   | May 31, 2009 | Jun 30, 2010 | May 31, 2009 |
| <b>Reportable items in the Statement of Comprehensive Income</b> |              |              |                             |              |                |              |              |              |
| External revenues  | 33,696       | -            | -                           | -            | -              | -            | 33,696       | -            |
| Intersegment revenue   | -            | -            | -                           | -            | -              | -            | -            | -            |
| Adjusted EBITDA  | (43,556)     | (1,111)      | -                           | (19)         | (28,651)       | (14,760)     | (72,207)     | (15,890)     |
| <b>Reportable items in the Statement of Financial Position</b>   |              |              |                             |              |                |              |              |              |
| Total assets   | 539,965      | 396,770      | 36,393                      | 12,658       | 362,699        | 109,738      | 939,057      | 519,166      |
| Additions to non-current assets                                  | 697          | 106,375      | 155,604                     | 3,172        | 909            | 5,699        | 157,210      | 115,246      |
| Total liabilities  | 127,796      | 100,581      | 3,968                       | 3,681        | 134,490        | 1,728        | 266,254      | 105,990      |

The amounts provided to the committee with respect to total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment. There were no impairments during the current or prior reportable periods.

Additions to non-current assets include all additions to Mining assets, Intangible assets and Property, Plant and Equipment.

**Notes to the condensed consolidated interim financial statements**  
*for the three and six months ended June 30, 2010*

(Unaudited, expressed in U.S. dollars, unless otherwise stated)

**4. Segmented information (continued)**

A reconciliation of adjusted EBITDA to total comprehensive (loss)/income for the period is provided as follows:

|   | Consolidated              |                           |
|---|---------------------------|---------------------------|
|   | Jun 30,<br>2010<br>\$'000 | May 31,<br>2009<br>\$'000 |
| Total EBITDA for reportable segments  | (72,207)                  | (15,890)                  |
| Revenues offset against mine development costs  | (33,697)                  | -                         |
| Mining costs offset against mine development costs                                    | 73,156                    | -                         |
| Total EBITDA per Consolidated statement of income and comprehensive income            | (32,748)                  | (15,890)                  |
| Foreign exchange gains  | 7,295                     | (8,714)                   |
| Depreciation  | (278)                     | (175)                     |
| Finance costs (net)   | (3,476)                   | (1,296)                   |
| <b>Loss before taxation</b>   | <b>(29,207)</b>           | <b>(26,075)</b>           |
| Income tax expense  | -                         | -                         |
| Exchange differences on translating from functional currency to presentation currency | 20,219                    | (75,417)                  |
| <b>Total comprehensive (loss)/income for the period</b>                               | <b>(8,988)</b>            | <b>(101,492)</b>          |

**5. Property, plant and equipment**

|  | Plant<br>construction<br>and mine<br>development<br>\$ 000 | Land and<br>buildings<br>\$ 000 | Other<br>\$ 000 | Leased<br>assets<br>\$ 000 | TOTAL<br>\$ 000 |
|--|--|---------------------------------|-----------------|----------------------------|-----------------|
| <b>COST</b>                            |  |                                 |                 |                            |                 |
| <b>Balance as at February 28, 2009</b> | <b>186,379</b>   | <b>721</b>                      | <b>1,099</b>    | <b>-</b>                   | <b>188,199</b>  |
| Additions                              | 155,246  | 48                              | 410             | 12,031                     | 167,735         |
| Foreign exchange movement              | 66,164   | 256                             | 390             | 960                        | 67,770          |
| <b>Balance as at December 31, 2009</b> | <b>407,789</b>   | <b>1,025</b>                    | <b>1,899</b>    | <b>12,991</b>              | <b>423,704</b>  |
| Additions                              | 61,496   | 10                              | 276             | -                          | 61,782          |
| Foreign exchange movement              | (12,853)   | (33)                            | (47)            | (410)                      | (13,343)        |
| <b>Balance as at June 30, 2010</b>     | <b>456,432</b>   | <b>1,002</b>                    | <b>2,128</b>    | <b>12,581</b>              | <b>472,143</b>  |
| <b>ACCUMULATED DEPRECIATION</b>        |  |                                 |                 |                            |                 |
| <b>Balance as at February 28, 2009</b> | <b>-</b>   | <b>-</b>                        | <b>356</b>      | <b>-</b>                   | <b>356</b>      |
| Depreciation for the period            | -  | -                               | 237             | 428                        | 665             |
| Foreign exchange movement              | -  | -                               | 166             | 46                         | 212             |
| <b>Balance as at December 31, 2009</b> | <b>-</b>   | <b>-</b>                        | <b>759</b>      | <b>474</b>                 | <b>1,233</b>    |
| Depreciation for the period            | -  | -                               | 219             | 399                        | 618             |
| Foreign exchange movement              | -  | -                               | (28)            | (21)                       | (49)            |
| <b>Balance as at June 30, 2010</b>     | <b>-</b>   | <b>-</b>                        | <b>950</b>      | <b>852</b>                 | <b>1,802</b>    |

**Notes to the condensed consolidated interim financial statements  
for the three and six months ended June 30, 2010**

(Unaudited, expressed in U.S. dollars, unless otherwise stated)

**5. Property, plant and equipment (continued)**

|                         | Plant<br>construction<br>and mine<br>development<br>\$ 000 | Land and<br>buildings<br>\$ 000 | Other<br>\$ 000 | Leased<br>assets<br>\$ 000 | TOTAL<br>\$ 000 |
|-------------------------|--|---------------------------------|-----------------|----------------------------|-----------------|
| <b>CARRYING AMOUNTS</b> |  |                                 |                 |                            |                 |
| At February 28, 2009    | 186,379  | 721                             | 743             | -                          | 187,843         |
| At December 31, 2009    | 407,789  | 1,025                           | 1,140           | 12,517                     | 422,471         |
| At June 30, 2010        | 456,432  | 1,002                           | 1,178           | 11,729                     | 470,341         |

Included in the plant construction and mine development is a total of US\$131.984 million (Dec 31, 2009: US\$78.491 million; Feb 28, 2009: US\$14.657 million) relating to stripping costs which are capitalized as part of the mine development at PPM.

**6. Restricted cash**

|  | As at Jun 30,<br>2010<br>\$ 000 | As at May 31,<br>2009<br>\$ 000 | As at Dec 31,<br>2009<br>\$ 000 | As at Feb 28,<br>2009<br>\$ 000 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Cash-backed guarantees                     | 24,553                          | 5,021                           | 7,163                           | 2,497                           |
| Cash collateral for convertible debentures | 135,027                         | -                               | -                               | -                               |
| <b>Balance at the end of the period</b>    | <b>159,580</b>                  | <b>5,021</b>                    | <b>7,163</b>                    | <b>2,497</b>                    |

**7. Inventories**

|   | As at Jun 30,<br>2010<br>\$ 000 | As at May 31,<br>2009<br>\$ 000 | As at Dec 31,<br>2009<br>\$ 000 | As at Feb 28,<br>2009<br>\$ 000 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Ore stockpiled at cost                  | 3,839                           | 7,697                           | 4,323                           | 6,943                           |
| Work in progress at cost                | 3,544                           | -                               | 3,154                           | -                               |
| Consumables at cost                     | 3,579                           | -                               | 2,372                           | -                               |
| <b>Balance at the end of the period</b> | <b>10,962</b>                   | <b>7,697</b>                    | <b>9,849</b>                    | <b>6,943</b>                    |

**8. Cash and cash equivalents**

|  | As at Jun 30,<br>2010<br>\$ 000 | As at May 31,<br>2009<br>\$ 000 | As at Dec 31,<br>2009<br>\$ 000 | As at Feb 28,<br>2009<br>\$ 000 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Cash at bank and on hand               | 6,213                           | 95,214                          | 29,375                          | 88,883                          |
| Cash on short term deposits            | 206,718                         | 49,864                          | -                               | 39,067                          |
| <b>Total cash and cash equivalents</b> | <b>212,931</b>                  | <b>145,078</b>                  | <b>29,375</b>                   | <b>127,950</b>                  |

Cash at banks earns interest at a floating rate based on daily bank deposit rates. Cash is deposited at highly reputable financial institutions of a high quality credit standing within the Republic of South Africa and their foreign affiliates in the United Kingdom. The fair value of cash and cash equivalents equates the values as disclosed in this note.

# Platmin Limited

(A development stage company)



## Notes to the condensed consolidated interim financial statements for the three and six months ended June 30, 2010

(Unaudited, expressed in U.S. dollars, unless otherwise stated)

### 9. Share capital

#### a) Common shares authorized

The Company has an unlimited number of common shares with no par value.

#### b) Common shares issued

| <b>Movement during the year ended December 31, 2009</b> | <b>Number of shares</b> | <b>Amount \$000</b> |
|---|-------------------------|---------------------|
| Balance, February 28, 2009                              | 370,002,800             | 366,180             |
| Common shares issued                                    | 75,015,552              | 59,355              |
| <b>Balance, December 31, 2009</b>                       | <b>445,018,352</b>      | <b>425,535</b>      |
| <b>Movement during the period ended June 30, 2010</b>   |                         |                     |
| Balance, January 1, 2010                                | 445,018,352             | 425,535             |
| Common shares issued                                    | 205,761,317             | 241,523             |
| <b>Balance, June 30, 2010</b>                           | <b>650,779,669</b>      | <b>667,058</b>      |

On May 13, 2010 the Company issued 205,761,317 new common shares at a price of US\$1.215 per common share for a total consideration of US\$250.000 million, raising US\$241.523 million net of brokerage and legal fees.

In addition to the funds-raising process, US\$135 million of convertible debentures have been placed. The total funding from the prospectus offering and private placement is US\$385.000 million.

### 10. Finance lease liability

ESKOM Holdings Limited ("ESKOM", the South African state utility supplier) designed and built an electrical installation adjacent to the Pilanesberg Mine to produce the required electricity and ESKOM maintains ownership and control over all significant aspects of operating the facility. Each month, PPM will pay a fixed capacity charge and a variable charge based on actual electricity consumed. These payments attract interest at the South African prime overdraft rate plus 2%.

The arrangement with ESKOM, entered into during the period under review meet these requirements of IFRIC 4 – Arrangements containing a lease, and therefore constitutes a lease and falls within the scope of IAS 17 – Leases and is further classified as a finance lease due to the sub-station being constructed exclusively for the use of PPM. An asset (the electrical installation) is explicitly identified in the arrangement and fulfilment of the arrangement is dependent on the electrical installation.

*Reconciliation between the total minimum lease payments and their present value:*

|                        | <b>Up to 1 year \$ 000</b> | <b>1 to 5 years \$ 000</b> | <b>More than 5 years \$ 000</b> | <b>Total \$ 000</b> |
|------------------------|----------------------------|----------------------------|---------------------------------|---------------------|
| Minimum lease payments | 648                        | 5,182                      | 13,254                          | 19,084              |
| Finance cost           | (533)                      | (3,964)                    | (5,846)                         | (10,343)            |
| <b>Present value</b>   | <b>115</b>                 | <b>1,218</b>               | <b>7,408</b>                    | <b>8,741</b>        |

**Notes to the condensed consolidated interim financial statements**  
*for the three and six months ended June 30, 2010*

(Unaudited, expressed in U.S. dollars, unless otherwise stated)

**11. Decommissioning and rehabilitation provision**

|   | As at<br>Jun 30,<br>2010<br>\$ 000 | As at<br>May 31,<br>2009<br>\$ 000 | As at<br>Dec 31,<br>2009<br>\$ 000 | As at<br>Feb 28,<br>2009<br>\$ 000 |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <b>DISCOUNTED</b>                       |                                    |                                    |                                    |                                    |
| Balance at the beginning of the period  | 52,744                             | 12,791                             | 12,791                             | 1,461                              |
| Increase in liability for the period    | 23,019                             | 5,401                              | 36,272                             | 11,629                             |
| Unwinding of interest (Accretion)       | 744                                | 97                                 | 426                                | 65                                 |
|   | 76,507                             | 18,289                             | 49,489                             | 13,155                             |
| Effect of exchange rate changes         | (2,407)                            | 3,261                              | 3,255                              | (364)                              |
| <b>Balance at the end of the period</b> | <b>74,100</b>                      | <b>21,550</b>                      | <b>52,744</b>                      | <b>12,791</b>                      |
| <b>UNDISCOUNTED</b>                     |                                    |                                    |                                    |                                    |
| Balance at the beginning of the period  | 70,829                             | 17,527                             | 17,527                             | 2,457                              |
| Increase in liability for the period    | 29,713                             | 6,355                              | 47,080                             | 15,684                             |
|   | 100,542                            | 23,882                             | 64,607                             | 18,141                             |
| Effect of exchange rate changes         | (2,232)                            | 4,523                              | 6,222                              | (614)                              |
| <b>Balance at the end of the period</b> | <b>98,310</b>                      | <b>28,405</b>                      | <b>70,829</b>                      | <b>17,527</b>                      |

PPM is currently in the commissioning phase and the estimate represents the current cost of environmental liabilities as at the respective period end. An annual estimate of the quantum of closure costs is necessary in order to fulfil the requirements of the DMR, as well as meeting specific closure objectives outlined in the mine's Environmental Management Programme.

Although the ultimate amount of the asset retirement obligation is uncertain, the fair value of the obligation is based on information that is currently available. This estimate includes costs for the removal of all current mine infrastructure and the rehabilitation of all disturbed areas to a condition as described in the mine's Environmental Management Programme.

The discounted amount of the asset retirement obligation has been determined using a discount rate of 8.6% and an inflation rate of 6% over a period of 11 years and 8 months. The undiscounted amount of the asset retirement obligation represents the amount that the company would be liable to pay should the expense be incurred today.

**Notes to the condensed consolidated interim financial statements  
for the three and six months ended June 30, 2010**

(Unaudited, expressed in U.S. dollars, unless otherwise stated)

**12. Revolving commodity facility**

On October 9, 2009, the Company signed a definitive agreement with Investec Bank Limited ("Investec") to provide a twelve month renewable revolving commodity finance facility of up to ZAR400 million (US\$54.420 million at an exchange rate of ZAR7.35: US\$1.00) for working capital purposes.

In terms of this facility Investec will finance up to 91% of PPM's platinum, palladium, gold, copper and nickel deliveries to Northam Platinum Limited. This facility bears interest at the Johannesburg Interbank Lending Rate ("JIBAR") plus 3.0% and is repaid within 2 to 3 months upon which the funds are again available for draw-down.

|   | As at Jun 30,<br>2010<br>\$ 000 | As at May 31,<br>2009<br>\$ 000 | As at Dec 31,<br>2009<br>\$ 000 | As at Feb 28,<br>2009<br>\$ 000 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Balance at the beginning of the period  | 5,854                           | -                               | -                               | -                               |
| Increase in liability for the period    | 21,994                          | -                               | 5,913                           | -                               |
| Repayment of amounts owing              | (24,692)                        | -                               | -                               | -                               |
| Interest accrued                        | (42)                            | -                               | (53)                            | -                               |
|   | 3,114                           | -                               | 5,860                           | -                               |
| Effect of exchange rate changes         | (129)                           | -                               | (6)                             | -                               |
| <b>Balance at the end of the period</b> | <b>2,985</b>                    | <b>-</b>                        | <b>5,854</b>                    | <b>-</b>                        |

**13. Current portion of long-term borrowings**

|   | As at Jun 30,<br>2010<br>\$ 000 | As at May 31,<br>2009<br>\$ 000 | As at Dec 31,<br>2009<br>\$ 000 | As at Feb 28,<br>2009<br>\$ 000 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Balance at the beginning of the period  | -                               | 38,752                          | 38,752                          | -                               |
| - Bridge loan facility                  | -                               | -                               | -                               | 45,518                          |
| - Pallinghurst short-term loan facility | 26,114                          | -                               | -                               | -                               |
| Interest on borrowings                  | 454                             | 1,239                           | 2,053                           | 4,243                           |
| Settlement of bridge loan facility      | -                               | -                               | (51,987)                        | -                               |
|   | 26,568                          | 39,991                          | (11,182)                        | 49,761                          |
| Effect of exchange rate changes         | (7)                             | 9,879                           | 11,182                          | (11,009)                        |
| <b>Balance at the end of the period</b> | <b>26,561</b>                   | <b>49,870</b>                   | <b>-</b>                        | <b>38,752</b>                   |

On May 14, 2008, PPM signed a US\$35 million (ZAR350 million) bridge financing facility with Standard Bank of South Africa Limited ("Standard Bank"). The bridge loan facility has been used to fund the development and construction of the Pilanesberg Mine. The bridge loan facility was repaid in full on August 31, 2009.

In connection with this facility, the Company issued 300,000 warrants exercisable at \$6.95 per common share from September 15, 2008 until expiry of the warrants on May 14, 2011. The Company has classified this facility as held to maturity and the fair value of the warrants of US\$0.846 million has been amortized to net income.

On March 22, 2010, a subsidiary of Platmin entered into a ZAR192 million short term lending facility (the equivalent of US\$26 million at an exchange rate of ZAR7.38 to the US dollar) with Pallinghurst Resources Limited ("Pallinghurst"). As at June 30, 2009, a total of ZAR191.0 million had been drawn against this facility.

Funds raised will be used by the Company for working capital, to complete the build-up to full production at the Pilanesberg Platinum Mine (PPM), to pursue a number of growth and acquisition opportunities, and to further develop the Company's Eastern Limb projects.

**Notes to the condensed consolidated interim financial statements  
for the three and six months ended June 30, 2010**

(Unaudited, expressed in U.S. dollars, unless otherwise stated)

**14. Convertible debenture**

|   | As at Jun 30,<br>2010<br>\$ 000 | As at May 31,<br>2009<br>\$ 000 | As at Dec 31,<br>2009<br>\$ 000 | As at Feb 28,<br>2009<br>\$ 000 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Convertible debenture issued  | 135,000                         | -                               | -                               | -                               |
| Option component accounted for in equity                                | (26,664)                        | -                               | -                               | -                               |
|   | 108,336                         | -                               | -                               | -                               |
| Share-based payment expense (Fair value adjustment at transaction date) | 23,708                          | -                               | -                               | -                               |
| Fair value of debt component on transaction date                        | 132,044                         | -                               | -                               | -                               |
| Interest for the period   | 681                             | -                               | -                               | -                               |
| Transaction costs   | (983)                           | -                               | -                               | -                               |
|   | <b>131,742</b>                  | -                               | -                               | -                               |

The debentures were issued on May 13, 2010 to Ridgewood Investments (Mauritius) Pte Limited, Pallinghurst and Investec Bank Limited, for a principal sum of US\$135.000 million.

The debenture is convertible at the option of the holder into ordinary shares of Platmin Limited at a conversion price of US\$ 1.215 per share by December 31, 2010. If the debenture is not converted into ordinary shares by the maturity date, the principal sum becomes repayable to the holders.

The debentures have a zero coupon rate. The effective interest rate is 3.76% calculated based on the expected payments.

The fair value of the option component was determined using the following assumptions:

- a risk-free rate of 0.61%;
- a volatility index of 67.73% and
- a dividend yield of 0%.

The debentures are secured over cash and cash equivalents of US\$135.027 million. The security provides the holder with a first ranking interest in the collateral account (or any investments made using the cash collateral account) and any interest or other proceeds earned thereon. The security interest is released when the conversion right is exercised.

The fair value of the debt instrument at the reporting date is US\$131.742 million.

The share-based payment expense (fair value adjustment) reported in the income statement for the three months ended June 30, 2010 can be summarised as follows:

|  |               |
|--|---------------|
| Share-based payment expense (fair value adjustment) on transaction date        | 23,708        |
| Foreign exchange adjustment at quarter-end                                     | (253)         |
| Share-based payment expense (fair value adjustment) effect in income statement | <u>23,455</u> |

# Platmin Limited

(A development stage company)



## Notes to the condensed consolidated interim financial statements for the three and six months ended June 30, 2010

(Unaudited, expressed in U.S. dollars, unless otherwise stated)

### 15. Loss before taxation

|  | For the three months ended |                        | For the six months ended |                        |
|--|----------------------------|------------------------|--------------------------|------------------------|
|  | Jun 30, 2010<br>\$ 000     | May 31, 2009<br>\$ 000 | Jun 30, 2010<br>\$ 000   | May 31, 2009<br>\$ 000 |
| <i>Included in the general expenses are the following:</i> |                            |                        |                          |                        |
| Audit fees   | (242)                      | (400)                  | (422)                    | (445)                  |
| Consulting and professional fees                           | (23)                       | (187)                  | (195)                    | (7,248)                |
| Depreciation   | (142)                      | (81)                   | (278)                    | (174)                  |
| Employee expenses  | (2,260)                    | (1,230)                | (4,363)                  | (3,551)                |
| General and administration expenses                        | (1,634)                    | (712)                  | (2,924)                  | (1,758)                |
| Loss on disposal of fixed assets                           | -                          | -                      | -                        | 5                      |
| Royalty taxes  | (122)                      | -                      | (122)                    | -                      |
| Share based payments expense                               | (499)                      | (743)                  | (1,011)                  | (2,898)                |
|  | <b>(4,922)</b>             | <b>(3,353)</b>         | <b>(9,315)</b>           | <b>(16,069)</b>        |
| <i>Included in other income are the following:</i>         |                            |                        |                          |                        |
| Foreign exchange gain / (loss)                             | 7,304                      | (10,221)               | 7,295                    | (8,714)                |
| Loss on impairment of exploration project                  | (255)                      | -                      | (255)                    | -                      |
| Other income / (expense)                                   | (1)                        | 3                      | (1)                      | 4                      |
| Share-based payment expense (fair value adjustment)        | (23,455)                   | -                      | (23,455)                 | -                      |
|  | <b>(16,407)</b>            | <b>(10,218)</b>        | <b>(16,416)</b>          | <b>(8,710)</b>         |

### 16. (Loss) / earnings per share attributable to owners of the parent

|   | For the three months ended |                        | For the six months ended |                        |
|---|----------------------------|------------------------|--------------------------|------------------------|
|   | Jun 30, 2010<br>\$ 000     | May 31, 2009<br>\$ 000 | Jun 30, 2010<br>\$ 000   | May 31, 2009<br>\$ 000 |
| Basic earnings / (loss) per share   | (0.04)                     | (0.03)                 | (0.05)                   | (0.07)                 |
| Basic (loss) / earnings per share is calculated by dividing the net (loss) / profit for the period/ year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period/ year |                            |                        |                          |                        |
| <i>Reconciliations:</i>   |                            |                        |                          |                        |
| Net (loss) / profit used in calculating basic earnings per share attributable to owners of the parent (USD'000)   | (20,675)                   | (12,977)               | (24,272)                 | (24,471)               |
| Weighted average number of shares used in the calculation of basic earnings per share ('000)  | 490,743                    | 378,338                | 513,605                  | 357,996                |

There are no reconciling items between (loss) / earnings and headline (loss) / earnings and therefore (loss) / earnings per share and headline (loss) / earnings per share is the same.

Due to the Group reporting a loss for the period ending June 30, 2010 the diluted (loss) / earnings per share is equal to the basic (loss) / earnings per share.