

# **Platmin Limited**

Unaudited Consolidated Financial Statements  
**For the Three and Nine month Periods ended  
November 30, 2006**  
(expressed in U.S. dollars, unless otherwise stated)

(a development stage entity)

# Platmin Limited

(a development stage entity)

## Consolidated Balance Sheets

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

	As at	
	November 30, 2006	February 28, 2006
	\$ 000	\$ 000
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	49,986	19,935
Loan due from related parties (note 4)	8,864	-
Receivables	203	422
Prepaid expenses	10	341
	<hr/>	<hr/>
	59,063	20,698
<b>Property, plant and equipment</b> (note 6)	306	304
<b>Mineral rights</b> (note 8)	1,108	1,108
<b>Mineral exploration properties</b> (note 9)	4,619	4,619
<b>Deferred exploration expenses</b> (note 9)	19,333	13,787
<b>Amounts due from related parties</b> (note 12)	159	113
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	84,588	40,629
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	2,344	989
Accrued liabilities	137	27
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	2,481	1,016
<b>Loan</b> (note 13)	546	580
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	3,027	1,596
<b>Shareholders' Equity</b>		
<b>Common shares</b> (note 10)	98,564	27,286
<b>Common shares to be issued</b> (note 10)	-	11,169
<b>Preferred shares</b> (note 10)	-	12,483
<b>Contributed surplus</b> (note 10)	2,200	2,146
<b>Deficit</b>	(19,203)	(14,051)
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	81,561	39,033
	<hr/>	<hr/>
	84,588	40,629
<b>Nature of operations and going concern</b> (note 1)		
<b>Contingencies and commitments</b> (note 15)		

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

# Platmin Limited

(a development stage entity)

## Consolidated Statements of Operations and Deficit

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

	Three months ended November 30		Nine months ended November 30	
	2006 \$ 000	2005 \$ 000	2006 \$ 000	2005 \$ 000
<b>Administrative expenses</b>				
Management and consulting fees	1,622	292	4,313	1,266
Travelling and promotion	69	41	205	111
Rental	19	13	53	41
Office	285	298	689	490
Professional fees	62	14	218	113
Interest and penalties	-	23	50	60
Amortization of property, plant and equipment	34	30	98	93
Foreign exchange loss/(gain)	518	(5)	14	219
	(2,609)	(706)	(5,640)	(2,393)
<b>Research and development costs</b>	(117)	(54)	(169)	(168)
<b>Deferred exploration costs written off</b>	-	(12)	(47)	(50)
	(2,726)	(772)	(5,856)	(2,611)
<b>Other income</b>	(2)	5	39	5
<b>Interest income</b>	439	53	665	156
	(2,289)	(714)	(5,152)	(2,450)
<b>Loss for the period</b>	(2,289)	(714)	(5,152)	(2,450)
<b>Deficit – Beginning of period</b>	(16,914)	(10,636)	(14,051)	(8,900)
<b>Deficit – End of period</b>	(19,203)	(11,350)	(19,203)	(11,350)
Basic and diluted loss per common share (note 7)	0.02	0.02	0.07	0.06

# Platmin Limited

(a development stage entity)

## Consolidated Statements of Cash Flows

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

	Three months ended November 30		Nine months ended November 30	
	2006	2005	2006	2005
	\$ 000	\$ 000	\$ 000	\$ 000
<b>Cash used in</b>				
<b>Operating activities</b>				
Loss for the period	(2,289)	(714)	(5,152)	(2,450)
Non-cash items				
Amortization of property, plant and equipment	34	30	98	93
Loss/(Gain) on sale of property, plant and equipment	2	(4)	-	(5)
Stock based compensation expenses	375	106	1,528	349
Changes in non-cash working capital items (note 5)	331	170	2,017	(518)
	<u>(1,547)</u>	<u>(412)</u>	<u>(1,509)</u>	<u>(2,531)</u>
<b>Investing activities</b>				
Purchase of property, plant and equipment	(4)	(19)	(112)	(93)
Proceeds from disposal of property, plant and equipment	4	21	10	22
Increase in loan receivable	(8,863)	(75)	(8,944)	59
Increase in deferred exploration expenses	(1,336)	(1,496)	(5,546)	(4,236)
	<u>(10,199)</u>	<u>(1,569)</u>	<u>(14,592)</u>	<u>(4,248)</u>
<b>Financing activities</b>				
Issue of common shares	1,695	5,255	51,976	5,556
Share issue expenses	(85)	-	(5,824)	-
	<u>1,610</u>	<u>5,255</u>	<u>46,152</u>	<u>5,556</u>
<b>Net (decrease) increase in cash and cash equivalents during the period</b>	<b>(10,136)</b>	<b>3,274</b>	<b>30,051</b>	<b>(1,223)</b>
<b>Cash and cash equivalents - Beginning of period</b>	<b>60,122</b>	<b>4,371</b>	<b>19,935</b>	<b>8,868</b>
<b>Cash and cash equivalents - End of period</b>	<b>49,986</b>	<b>7,645</b>	<b>49,986</b>	<b>7,645</b>
<b>Supplementary information</b>				
Interest paid	-	23	165	61

# Platmin Limited

(a development stage entity)

## Notes to the Consolidated Financial Statements

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

### 1 Nature of operations and going concern

Platmin Limited (the Company) is a development stage natural resources company engaged in the acquisition and exploration of Platinum Group Metal (PGM) properties, which was incorporated under the Canada Business Corporation Act on May 23, 2003. The Company is in the process of exploring and evaluating its mineral properties and projects and has not yet determined whether its properties and projects contain ore reserves that are economically recoverable. The ability of the Company to meet its commitments as they become payable, including the completion of the acquisition of mineral properties and projects, is dependant on the ability of the Company to obtain necessary financing. The recoverability of amounts shown for mineral rights, mineral exploration properties and deferred exploration expenses is dependant upon the ability of the Company to obtain necessary financing to complete the acquisition, exploration and development thereof, the Company's entering into acquisition, joint venture or option agreements in respect of its mineral properties and projects, the discovery of economically recoverable reserves on the Company's mineral claims, confirmation of the Company's interest in the underlying mineral claims and future profitable production or sufficient proceeds from the disposition thereof. In order to obtain funding to advance its projects over the next two years the Company completed an initial public offering and listed its shares on the Toronto Stock Exchange and the Alternative Investment Market of the London Stock Exchange on August 10, 2006.

On May 1, 2004, the Mineral and Petroleum Resources Development Act (MPRDA) came into effect in South Africa. In terms of this act, the state has become the custodian of all mineral rights within the country and will issue prospecting and mining rights to parties on application.

Rights held as at May 1, 2004 are known as "old order" rights and must be lodged for conversion into "new order" rights within a transition period being two years from May 1, 2004 for old order prospecting rights and five years from May 1, 2004 for old order mining rights. All applications for conversion of old order rights into new order rights have been submitted by the Company.

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its obligations in anything other than the ordinary course of operations. 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.

### 2 Basis of presentation

The Company was incorporated for the purposes of acquiring all the issued and outstanding shares of Platmin Resources Limited (PRL), a private company registered in the British Virgin Islands. This transaction was between related parties and as such the financial statements are prepared using the continuity of interests method of accounting. Under this method, all activities of PRL and its subsidiaries are included in the financial statements of the Company as if the Company had been the parent company for all periods presented.

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(a development stage entity)

## Notes to the Consolidated Financial Statements

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

### 3 Unaudited Interim Financial Information

The interim consolidated financial statements of the Company are prepared by management in accordance with Canadian generally accepted accounting principles (Canadian GAAP). The consolidated financial statements do not include all the information and disclosure required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair and consistent presentation of these interim financial statements have been included. The accounting policies and their methods of application are consistent with those used in the February 28, 2006 consolidated financial statements, except as disclosed herein. For further information, see the Company's consolidated financial statements and the accompanying notes included in the Company's listing documents. Results for the quarter and nine months ended November 30, 2006 are not necessarily an indication of the results that may be expected for the full fiscal year ended February 28, 2007.

#### Principles of consolidation

These financial statements include the accounts of the Company and its subsidiaries over which control is exercised. Where shareholding is below 50%, but control is exercised over the board of directors, the company is consolidated. All material intercompany balances and transactions have been eliminated. The following entities have been consolidated due to the Company's control of the board of directors of the entities or percentage ownership:

	November 30, 2006 %	February 28, 2006 %
Platmin Resources Ltd.	100.0	100.0
Platmin Nickel Limited <sup>(1)</sup>	-	100.0
Boynton Investments (Pty) Ltd. (Boynton) <sup>(2)</sup>	80.0	82.0
Bubesi Investments 38 (Pty) Ltd.	80.0	82.0
Setseka Mining (Pty) Ltd. (Setseka)	41.9	43.0
Taung Minerals (Pty) Ltd. (Taung Minerals)	41.9	43.0
Sengani Family Mining and Exploration (Pty) Ltd.	39.2	40.2
Mahube Mining (Pty) Ltd. (Mahube)*	59.0	60.4
Taung Platinum Exploration (Pty) Ltd. (Taung Platinum)	39.4	40.8

\* Which further consolidates Tameng Mining and Exploration (Pty) Ltd (Tameng) which is 95% owned by Mahube in each period presented.

(1) The interest in Platmin Nickel was sold during the second quarter review to two of the company's former directors.

(2) The interest in Boynton was reduced with the issuance of an additional 27,027 shares to Sephaku Development (Pty) Ltd and 100 shares to Moepi Capital (Pty) Ltd on September 19, 2006. This reduced the effective holding of the Company in all the Boynton subsidiaries.

#### Accounting estimates

The preparation of consolidated financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the amounts recorded in the consolidated financial statements and notes to the consolidated financial statements. These estimates are based on management's best knowledge

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## Notes to the Consolidated Financial Statements

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

of current events and actions that the Company may undertake in the future. Significant estimates include those related to the recoverability of the carrying value of mineral exploration properties, fair value estimates of options issued and deferred exploration expenses. Actual results may differ materially from those estimates.

### **Mineral exploration properties and deferred exploration expenses**

Exploration, evaluation and development expenditures are accumulated and accounted for in each separate area of interest or mineral resource. This includes attributed direct general and administrative support costs.

The Company follows the practice of capitalizing all costs related to acquisition, exploration and development of mineral exploration properties until such time as mineral properties are put into commercial production, sold or become impaired. If commercial production commences, these capitalized costs will be amortized prospectively on a units-of-production basis.

Management of the Company reviews the net carrying value of each mineral property when events or changes in circumstances indicate that the carrying value may not be recoverable. Where information is available and conditions suggest possible impairment, estimated future net cash flows from each property are calculated using estimated future prices, reserves, and operating, capital and reclamation costs on an undiscounted basis. If the carrying value of the property exceeds the estimated future net cash flows, the property will be written down to fair value. Where estimates of future net cash flows are not available and where conditions suggest possible impairment, management assesses whether the carrying value can be recovered. This assessment may be estimated by use of quantifiable evidence of a geological resource or reserve or the Company's assessment of its ability to sell the property for an amount greater than the carrying value. If management estimates that the carrying value of the property cannot be recovered, the property will be written down to fair value.

Management, directors and technical advisors review the merits of each of the Company's property interest to assess whether the property merits further exploration and development expenditure and whether the carrying value of the property is greater than the future expected return from that property. Empirical evidence such as geochemical analysis, drilling results, assays, mapping and field observation are the primary evidence that is assessed against other factors such as commodity markets, exchange rates, political risk and closeness to other known operations when making decisions on impairment.

The amounts shown for mineral properties represent costs incurred to date net of writedowns, and are not intended to reflect present or future values. Government assistance, mining duty credits and optionee contributions are applied against the deferred exploration expenses.

### **Stock-based compensations plan**

The Company has a stock-based compensation plan, as described in note 11. The Company adopted the amendments to Canadian Institute of Chartered Accountants Handbook Section 3870, which requires that the fair value of compensation expense be amortised in the periods up to the vesting date of the options. All options are granted at the closing market price on the date of issuance. When holders exercise their options, any consideration received and any contributed surplus related to those options is credited to share capital.

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## Notes to the Consolidated Financial Statements

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

### Asset retirement obligations

Future costs to retire an asset including dismantling, remediation and ongoing treatment and monitoring of the site are recognised and recorded as a liability at fair value. The liability is accreted over time through periodic charges to earnings. The fair value of the costs is capitalised as part of the assets' carrying value and amortised over the assets useful lives. During the period under review the Company has provided the Department of Minerals and Energy (DME) with guarantees in respect of future environmental rehabilitation in order to obtain certain mining rights in the Pilanesberg area. Refer to the first bullet point under note 15.

### Research and development costs

Research costs are expensed in the year incurred. Development costs are expensed in the year incurred, unless the Company believes a development project meets Canadian GAAP criteria for deferral. To date, no development costs have been deferred.

## 4 Loans due from related parties

	November 30, 2006 \$ 000	February 28, 2006 \$ 000
Moepi Capital (Pty) Ltd.	8,864	-
	<hr/>	<hr/>
	8,864	-
	<hr/>	<hr/>

The above loan relates to the bridging finance agreement signed between Moepi Capital (Pty) Ltd and Platmin Limited during the period. Moepi Capital is a related party by way of its common shareholding in the Company's principal subsidiary in South Africa, Boynton. The loan bears interest at LIBOR and is repayable within one year.

## 5 Supplementary cash flow information

	Three months ended November 30		Nine months ended November 30	
	2006 \$ 000	2005 \$ 000	2006 \$ 000	2005 \$ 000
Receivables	68	119	219	-
Prepaid expenses	(2)	(30)	331	(96)
Accounts payable	167	18	1,355	(387)
Accrued liabilities	98	63	110	(35)
	<hr/>	<hr/>	<hr/>	<hr/>
	331	170	2,017	(518)
	<hr/>	<hr/>	<hr/>	<hr/>

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## Notes to the Consolidated Financial Statements

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

### 6 Property, plant and equipment

	November 30, 2006		
	Cost \$ 000	Accumulated amortization \$ 000	Net \$ 000
Vehicles	353	136	217
Computer equipment	161	111	50
Computer software	58	49	9
Office equipment	22	13	9
Furniture and fittings	35	17	18
Other equipment	14	11	3
	<u>643</u>	<u>337</u>	<u>306</u>

	February 28, 2006		
	Cost \$ 000	Accumulated amortization \$ 000	Net \$ 000
Vehicles	283	92	191
Computer equipment	149	82	67
Computer software	50	40	10
Office equipment	20	10	10
Furniture and fittings	33	13	20
Other equipment	14	8	6
	<u>549</u>	<u>245</u>	<u>304</u>

### 7 Loss per share

Basic loss per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of common shares outstanding during the period.

	Three months ended November 30		Nine months ended November 30	
	2006	2005	2006	2005
Loss attributable to shareholders (\$ 000)	2,289	714	5,152	2,450
Weighted average number of common shares outstanding	91,744,644	40,630,067	71,453,980	39,041,289
Basic and diluted loss per common share in \$ per share	<u>0.02</u>	<u>0.02</u>	<u>0.07</u>	<u>0.06</u>

On August 10, 2006, the Company converted preference shares into common shares and implemented a ten-for-one split of its common shares. The split is reflected as if it took place at the beginning of all reporting periods presented.

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## Notes to the Consolidated Financial Statements

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

As the Company is reporting a loss for all years presented and all potential common shares are anti-dilutive, diluted loss per share equals basic loss per share. There are no other securities with potential dilutive effect as at November 30, 2006 other than the 10,492,030 outstanding options described in note 11.

### 8 Mineral rights

Boynton is the registered owner of an undivided 1/9 share (11.1%) of all mineral rights (excluding the chrome and chrome ore rights) of the property known as Vogelstruisnek 173, Registration Division J.P., Province North West (415.9548 ha) and of mineral rights over certain portions of the farm, Ruighoek 169, Registration Division J.P., Province North West.

	November 30, 2006 \$ 000	February 28, 2006 \$ 000
Balance beginning and end of period	1,108	1,108

These rights were obtained under the old Minerals Act when mineral rights could still be bought. Both of these properties form part of the Pilanesberg project and the new order prospecting rights have been granted in terms of the MPRDA.

### 9 Mineral exploration properties and deferred exploration expenses

The acquisition cost and deferred exploration expenses by project are set out as follows:

	November 30, 2006		February 28, 2006	
	Acquisition cost \$ 000	Deferred exploration expenses \$ 000	Acquisition cost \$ 000	Deferred exploration expenses \$ 000
Pilanesberg project				
Tuschenkomst	25	7,360	25	5,019
Witkleifontein	-	1,574	-	1,423
Rooderand	-	948	-	658
Ruighoek	-	2,907	-	2,413
Vogelstruisnek	-	46	-	31
Bakhoutrantje	-	23	-	12
Palmietfontein	-	529	-	508
M'Phatlele project	3,055	3,421	3,055	2,369
Grootboom project				
Grootboom	1,514	1,396	1,514	969
Grootboom Tailings	-	42	-	-
Annex	-	434	-	34
Loskop project				



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## Notes to the Consolidated Financial Statements

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

### ii) M'Phatlele project

The Company currently holds a 58.9% beneficial interest in the M'Phatlele project through its subsidiaries Mahube and Tameng. Tameng has entered into a notarial prospecting contract with the South African State granting the exclusive right to prospect on the farm M'Phatlele 457KS constituting the M'Phatlele project. Application for conversion of Tameng's prospecting rights under the old law to rights under the MPRDA was granted on September 21, 2006.

### iii) Grootboom project

The Company holds an 80% interest in the Grootboom project through its subsidiary, Boynton. Boynton holds an exclusive right to prospect on the entire Grootboom project, excluding the chrome rights that belong to Samancor.

### iv) Loskop project

The Loskop project area comprises the four farms: Rietfontein 70JS; Kameeldoorn 71JS; De Wagendrift 79JS (the following portions (RE P1, 12 (now 13), 13 (now 14), 14 (now 15), 16 (now 14)); and Loskop Suid 53JS.

Boynton has entered into separate option contracts with the mineral rights owners in respect of the material portions of the farms.

The Company currently holds an 80% interest in the Loskop project. Boynton holds the prospecting rights over the entire project area which was granted under the MPRDA.

On January 29, 2003, Boynton entered into an option and joint venture agreement with a subsidiary of Lonmin plc (Lonmin) in respect of the Loskop project area. Under the agreement, Lonmin's subsidiary acquired the right to acquire a 50% interest in the various prospecting and option contracts comprising the Loskop project, provided that it spends \$3m over a three year period. It is also required to fund the cost of acquisition (which could be an amount up to approximately \$4 million) should it decide to exercise its option and acquire the 50% interest. Over the three year period a substantial portion of the \$3m was spent. The shortfall has been spent in the 2006 calendar year and the company has started to contribute pro rata to portions of the venture from September 2006.

### v) Other projects

The Company's other projects consist of various portions of the farms, Golden Valley 621IQ, Oorlogfontein 25 KS, Vogelenzang 794KS, Annex Grootboom 335KT and Scheiding 407KS. These farms are not adjacent to one another.

Golden Valley

Boynton has a current prospecting right covering the Golden Valley farm area.

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## Notes to the Consolidated Financial Statements

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

### Oorlogsfontein

The Company's interest in Oorlogsfontein is pursuant to an agreement with Platinum Group Metals (RSA) (Pty) Ltd. (PTM) and Africa Wide Investments, whereby the Company has an indirect 39.4% interest and a 15% free carried interest in the Oorlogsfontein farm until the completion of a full bankable feasibility study by PTM on the property at Oorlogsfontein.

### Annex Grootboom and Scheiding

A Prospecting Contract was entered into on April 28, 2005 between Boynton, Sephaku Development (Pty) Ltd ("Sephaku"), BHP Billiton SA Limited ("BHP") and Samancor Limited ("Samancor"). In terms of the agreement, the old order Mining Rights of Annex Grootboom 335KT and Scheiding 407KS, originally held by Samancor, are to be transferred to BHP subsequent to a conversion being granted under the MPRDA. In terms of the same agreement, Sephaku was appointed to carry out exploration activities on Annex Grootboom and Scheiding on a contract basis.

The Company's subsidiary, Boynton, has entered into an agreement on February 14, 2006 with Sephaku. The purpose of this agreement is to consolidate Sephaku's rights pertaining to the properties Annex Grootboom 335KT and Scheiding 407KS and in the case of Boynton, its rights to the M'Phatlele project.

### Chrome

In a Memorandum of Agreement entered into on May 15, 2006 between Platmin Limited, Boynton Investments (Pty) Ltd, Sephaku Holdings Limited ("Sephaku") and certain officers of Sephaku (the "Sephaku Alliance Agreement"), it was agreed that all existing and future rights held or acquired by any company in the Sephaku Group during a period of 2 years from June 1, 2006 in respect of chrome or any mineral on certain of Platmin's project areas will be relinquished in favour of, and transferred to, Boynton or its nominee.

It was further agreed that Boynton will be entitled to purchase from the relevant company in the Sephaku Group the interest in the Prospecting Right in respect of chrome on Tuschenkomst as soon as the right has been granted for a purchase consideration of ZAR10,000.

The Sephaku Alliance Agreement further states that in the event that further prospecting rights are granted on certain other properties, Boynton and Sephaku will negotiate in good faith for Boynton to purchase such rights from Sephaku.

## 10 Share capital

### ( a ) Common shares

An unlimited number of common shares without par value have been authorized.

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## Notes to the Consolidated Financial Statements

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

	<b>Number of shares</b>	<b>Amount \$000</b>
Balance, March 1, 2005	3,770,240	14,717
Private Placements	416,650	5,250
Exercise of options	680,060	3,508
Amount transferred from contributed surplus in respect of options exercised	-	3,811
	<u>1,096,710</u>	<u>12,569</u>
Balance, February 28, 2006	<u>4,866,950</u>	
Share issue expenses		-
		<u>27,286</u>
Balance, March 1, 2006	4,866,950	27,286
Rights Issue	733,154	14,663
Balance, May 31, 2006	5,600,104	41,949
Balance, June 1, 2006	5,600,104	41,949
Exercise of options	10,000	62
Balance, August 10, 2006	5,610,104	42,011
Conversion of preferred shares	2,173,000	12,483
Balance, August 10, 2006 - before ten-for-one split	7,783,104	54,494
ten-for-one split	77,831,040	
Common shares – issued for IPO	11,375,000	40,565
Over allotment – option under IPO	1,706,250	6,160
Balance, August 31, 2006		
Share issue expenses		(5,739)
Balance, September 1, 2006	90,912,290	95,480
Exercise of options	160,000	175
Fair value of options exercised	-	114
Fair value of warrants exercised	-	1,459
Exercise of warrants	2,000,000	1,460
Broker compensation options exercised	17,063	60
		98,748
Share issue expenses		(184)
Balance, November 30, 2006	<u>93,089,353</u>	<u>98,564</u>

On January 17, 2006, the Company announced a one-for-nine shares held rights issue at \$20 per share. The first round closed on February 27, 2006 and the Company received \$11,169,200. All the shares related to this rights issue were only issued during the current period.

On August 10, 2006, the Company's shares were listed on the Toronto Stock Exchange and on the AIM market. On this day, the 2,173,000 preference shares converted into common shares taking the total common shares prior to a ten-for-one split to 7,783,104. These 7,783,104 common shares were then subject to the ten-for-one split giving a total of 77,831,040 common shares outstanding after the split.

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

In the initial public offering on August 10, 2006, 11,375,000 common shares were issued. On 25 August 2006 the underwriters exercised the over allotment option and the Company issued a further 1,706,250 common shares.

During the second quarter, and prior to the TSX and AIM listings and the ten-for-one split, 10,000 options were exercised at \$6.25.

During the third quarter 30,000 options at \$0.63 and 130,000 options at \$1.20 were exercised.

As part of the listing process a total of 767,813 compensation options at CAD 4.00 were issued to the brokers. During the third quarter 17,063 of these broker options were exercised at \$3.53.

<b>Exercise date</b>	<b>Exercise price</b> \$	<b>Number of options</b>
<b>Options exercised year to date</b>		
June 7, 2006	6.25	10,000
September 20, 2006	0.63	30,000
September 20, 2006	1.20	65,000
October 4, 2006	1.20	10,000
October 31, 2006	1.20	55,000
November 24, 2006	3.53	17,063
		<hr/>
		187,063
		<hr/>
<b>Options exercised 2006</b>		
April 4, 2005	2.00	150,000
July 8, 2005	6.25	1,000
November 8, 2005	2.00	10,000
November 16, 2005	2.00	11,000
November 16, 2005	6.25	10,000
November 21, 2005	2.00	10,000
November 28, 2005	2.00	1,000
December 12, 2005	12.00	20,000
January 17, 2006	6.25	55,000
January 17, 2006	7.50	42,000
January 17, 2006	10.00	42,000
January 17, 2006	2.00	4,000
January 25, 2006	6.25	11,000
January 25, 2006	2.00	1,000
January 26, 2006	2.00	1,000
February 8, 2006	2.00	60,060
February 8, 2006	5.00	10,000
February 8, 2006	6.25	141,000
February 9, 2006	6.25	20,000
February 17, 2006	6.25	80,000
		<hr/>
		680,060
		<hr/>

# Platmin Limited

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## Notes to the Consolidated Financial Statements

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

### ( b ) Preferred shares

An unlimited number of preferred shares have been authorised.

	Number of shares	Amount \$ 000
Balance, March 1, 2006	2,173,000	12,483
Conversion to common shares	<u>(2,173,000)</u>	<u>(12,483)</u>
Balance, November 30, 2006	<u>-</u>	<u>-</u>

The preferred shares were converted on August 10, 2006 to common shares on a one for one basis. They had no preferential rights over the common shares other than a preferential right to repayment of capital on liquidation.

### ( c ) Contributed surplus

	November 30, 2006 \$ 000	February 28, 2006 \$ 000
Balance - Beginning of period	2,146	4,314
Options issued	1,627	1,643
Warrants exercised	(1,459)	-
Options exercised	<u>(114)</u>	<u>(3,811)</u>
Balance - End of period	<u>2,200</u>	<u>2,146</u>

## 11 Stock option plan and warrants

The board of directors adopted a resolution dated May 3, 2005, which established a stock option plan (the Plan), pursuant to which options may be granted to directors, officers, employees and persons providing ongoing and contract services to the Company. The purpose of the Plan is to attract persons by offering to such persons the opportunity to acquire (or to increase) an equity interest in the Company through the purchase of shares under the Plan. Subject to adjustment made in the case of a share split of the issued common shares of the Company, the aggregate number of common shares that may be issuable pursuant to options granted under the Plan is fixed at 9% of the outstanding common shares of the Company and shall be calculated on an as-needed basis. Prior to the establishment of the Plan, options were issued to directors and employees, at the discretion of management, to compensate for services provided.

# Platmin Limited

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## Notes to the Consolidated Financial Statements

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

Details of stock options issued under and prior to the Plan, are as follows:

	Number of warrants	Weighted average exercise price \$
Balance, March 1, 2006	635,128	9.72
Granted	350,000	20.00
Exercised	<u>-</u>	<u>-</u>
Balance, May 31, 2006	<u>985,128</u>	13.37
Exercised	(10,000)	(6.25)
Balance, August 31, 2006 – before the ten-for-one split	<u>975,128</u>	13.44
Ten-for-one split	9,751,280	1.34
Balance, September 1, 2006	<u>9,751,280</u>	1.34
Granted	917,813	3.68
Exercised – compensation options	(17,063)	(3.53)
Exercised – options	<u>(160,000)</u>	<u>(1.09)</u>
Outstanding end of period	<u>10,492,030</u>	
Options exercisable - End of period	<u>5,965,640</u>	1.20

These options were all subject to the August 10, 2006 ten-for-one split, and as a result the number of options and the exercise price have both been adjusted by a factor of 10.

As at November 30, 2006, the following options were outstanding:

Expiry date	Exercise price \$	Number of options
September 6, 2007	0.20	1,100,000
September 6, 2007	0.63	450,000
August 10, 2007	0.90	50,000
August 10, 2007	3.51	648,374
August 11, 2007	3.51	102,376
November 3, 2010	1.20	800,000
December 6, 2010	1.20	3,691,280
April 12, 2011	2.00	3,500,000
September 18, 2011	3.86	<u>150,000</u>
Weighted average	1.57	<u>10,492,030</u>

# Platmin Limited

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## Notes to the Consolidated Financial Statements

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

The Company records stock-based compensation as required by CICA Handbook Section 3870. This is reflected in the consolidated statements of operations and deficit, or is treated as share issue expenses, depending on the nature of the services provided, as follows:

	<b>November 30, 2006</b>	<b>February 28, 2006</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Management and consulting fees	1,528	1,643
Share issue expenses	99	
Total stock based compensation	<u>1,627</u>	<u>1,643</u>

The fair value of stock options granted is recorded as an increase in contributed surplus.

The fair value of stock options issued, which had not been charged to employee expenses, was US\$ 799,958 (February 28, 2006: US\$ 1,555,634).

The fair value of each option granted was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

	<b>November 30, 2006</b>	<b>February 28, 2006</b>
Expected dividend yield	0.0%	0.0%
Expected volatility	100.0%	100.0%
Risk-free interest rate	3.5%	3.5%
Expected life	3.5 years	3.5 years

### Warrants

The details of warrants issued are as follows:

	<b>Number of options</b>	<b>Weighted average exercise price \$</b>
Outstanding – March 1, 2005	696,650	11.19
Exercised	496,650	11.57
Outstanding – February 28, 2006	<u>200,000</u>	<u>7.30</u>
Warrants exercisable - End of period	<u>200,000</u>	<u>7.30</u>
Outstanding – March 1, 2006	200,000	7.30
Ten-for-one split	<u>2,000,000</u>	<u>0.73</u>
Outstanding – September 1, 2006	2,000,000	0.73
Exercise of warrants	<u>(2,000,000)</u>	<u>(0.73)</u>
Warrants outstanding - End of period	<u>-</u>	<u>-</u>

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## Notes to the Consolidated Financial Statements

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

The warrants were exercised on November 7, 2006, prior to expiry date, which resulted in 2,000,000 common shares being issued for \$1,460,000.

### 12 Related party transactions

Amounts due from related companies

	November 30, 2006 \$ 000	February 28, 2006 \$ 000
5 Brothers Mining (Pty) Ltd.	3	3
Private Preview Investments (Pty) Ltd.	111	75
Tafida Investments (Pty) Ltd.	3	4
Born Free Investments 144(Pty) Ltd.	4	4
Born Free Investments 330(Pty) Ltd.	4	-
Keenan Investments (Pty) Ltd.	22	25
Dream World Investments (Pty) Ltd	3	-
Moepi Resources Limited	7	-
Crowned Cormorant Investments 13 (Pty) Ltd.	2	2
	<hr/>	<hr/>
	159	113
	<hr/>	<hr/>

The above entities are related to the Company through contractual arrangements in relation to potential prospecting permit applications.

The receivables bear no interest and have no fixed terms of repayment.

### 13 Loan

	November 30, 2006 \$ 000	February 28, 2006 \$ 000
Corridor Mining Resources Ltd.	546	580
	<hr/>	<hr/>
	546	580
	<hr/>	<hr/>

The long-term loan from Corridor Mining Resources (a subsidiary of Limpopo Economic Development Enterprise, previously Northern Province Development Corporation) to Mahube, a subsidiary of Boynton, bears interest at prime rate currently 12.0% (February 28, 2006 – 10.5%), until otherwise agreed by the shareholders, and has no fixed terms of repayment. The loan is used by Mahube to fund exploration activities and an amount reflecting Boynton's interest in the project has also been advanced to Mahube. The loan is to be repaid from the proceeds generated by the project in Mahube.

# Platmin Limited

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## Notes to the Consolidated Financial Statements

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

### 14 Segmented information

The Company operates in one geographic segment, South Africa and one industry segment, exploration of precious metals properties, mainly platinum group elements.

### 15 Contingencies and commitments

- The Company has guaranteed the rehabilitation of numerous exploration targets. As at period-end, the total guarantees held by a bank were \$586,589 (February 28, 2006 - \$55,679).
- Boynton has entered into an agreement with Impala Platinum Limited (Impala) for the right of first refusal to purchase PGM concentrate produced by Boynton from the farms, Ruighoek 169JP, Vogelstruisnek 173JP and Palmietfontein 208JP. Should Boynton elect not to accept the terms proposed by Impala, a break fee of \$2,103,580 in aggregate will be payable to Impala.
- Under the terms of a joint venture agreement between Boynton and Ranger Minerals Limited (Ranger), a subsidiary of Perilya Ltd., Boynton has committed to contribute up to \$90,000 towards the initial funding on prospecting areas identified by Ranger. The contribution is a pro rata contribution in accordance with Boynton's 30% shareholding in the joint venture.
- Boynton entered into an agreement with Woolrich and Associates (Pty) Ltd., whereby Boynton paid an amount of \$9,987 in aggregate prior to July 31, 2003. The Company undertook to spend \$224,382 in aggregate on prospecting activities on certain prospecting areas within a period of one year from the date on which prospecting permits have been issued.
- Boynton has an obligation pro rata to its shareholding in Mahube to provide funding to Tameng to undertake the necessary exploration and development on the M'Phatlele project. The consequence of not contributing accordingly results in dilution of Boynton's shareholding.
- Boynton has undertaken to provide enough funding up to completion of a first bankable feasibility study, subject to a maximum of \$1,402,387, on projects held by Setseka. The completion of a feasibility study is at Boynton's sole discretion; Boynton has the right to withdraw from prospecting on any particular property held in the joint venture.
- In respect of a joint venture agreement with Western Platinum Ltd. (Lonmin JV), Lonmin will contribute a maximum of \$631 per hectare toward mineral rights existing under the joint venture and toward any additional mineral rights included later. Any costs beyond \$631 per hectare will be shared equally between Lonmin and Boynton.
- Under the agreement referred to in note 9(i), entered into by the shareholders of Taung Minerals, Taung Minerals will become a 100% subsidiary of Boynton when the conditions precedent are met. The result will be that Boynton will receive 100% shares in Taung Minerals and the other shareholders in Taung Minerals will receive shares in Boynton.

# Platmin Limited

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## Notes to the Consolidated Financial Statements

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

The effect of the consolidation agreement is as follows:

Boynton's effective interest in Taung Minerals will increase from 52.39% to 100% and Boynton's share capital held by Historically Disadvantaged South African's will increase by approximately 6%.

- Boynton has entered into an agreement with Codoca – Beleggings cc (Codoca) where Codoca will transfer its Mineral Rights to Boynton. A deposit of \$242,840 was paid to Codoca.

The remaining balances will be paid by Boynton if the following requirements are met:

Payment of 50% of the balance of the consideration amount within 30 days of being notified by the DME that a prospecting right in terms of the MPRDA has been granted and issued to Boynton, enabling and entitling Boynton to commence prospecting activities and also in respect of Codoca's undivided share in the Mineral Rights by Boynton to Codoca. The remaining balance for this, less the deposit, will be \$224,354.

- A Prospecting Contract was entered into on April 28, 2005 between Boynton, Sephaku, BHP and Samancor. In terms of the agreement, the old order Mining Right on Annex Grootboom 335KT and Scheiding 407KS, originally held by Samancor, is to be transferred to BHP subsequent to a conversion of such right being granted under the MPRDA (subject to approval under section 11 of the MPRDA by the DME). In terms of the same agreement, Sephaku was appointed to carry out exploration activities on Annex Grootboom on a contract basis.

In terms of the agreement Sephaku has an option exercisable within one month of the completion of a bankable feasibility to purchase from BHP the New Order Rights in respect of Annex Grootboom for cash consideration of \$8.00 per ounce of the in-situ indicated and measured resources and probable and proven reserves of platinum, palladium, rhodium and gold as defined in the Samrec Code and determined in the Bankable Feasibility Study as being situated on Annex Grootboom.

In an Assignment Agreement dated February 14, 2006 between Boynton and Sephaku, Sephaku agreed, subject to the fulfillment of various conditions precedent, to assign to Boynton all of its rights and obligations as described above.