

# **Platmin Limited**

Unaudited Consolidated Financial Statements  
**For the Three and Nine month Periods ended**  
**November 30, 2007**  
(expressed in U.S. dollars, unless otherwise stated)

(a development stage entity)

# Platmin Limited

(a development stage entity)

## Consolidated Balance Sheets

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

	<b>November 30, 2007 \$ 000</b>	<b>February 28, 2007 \$ 000</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	28,078	43,408
Restricted cash (note 4)	1,590	-
Loans due from related parties (note 5)	14,701	13,552
Receivables	1,598	418
Prepaid expenses	5	68
	<hr/> 45,972	<hr/> 57,446
<b>Property, plant and equipment</b> (note 7)	8,993	785
<b>Rehabilitation investment</b> (note 15)	652	-
<b>Mineral rights</b> (note 9)	1,108	1,108
<b>Mineral exploration properties</b> (note 10)	4,619	4,619
<b>Deferred exploration expenses</b> (note 10)	26,576	21,503
	<hr/> 87,920	<hr/> 85,461
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	5,840	3,221
Accrued liabilities	-	155
	<hr/> 5,840	<hr/> 3,376
<b>Loan payable</b> (note 14)	1,452	659
<b>Asset retirement obligation</b> (note 7)	493	493
	<hr/> 7,785	<hr/> 4,528
<b>Shareholders' Equity</b>		
<b>Common shares</b> (note 11)	104,254	99,542
<b>Contributed surplus</b> (note 11)	2,849	2,480
<b>Deficit</b>	<hr/> (26,968)	<hr/> (21,089)
	<hr/> 80,135	<hr/> 80,933
	<hr/> 87,920	<hr/> 85,461
<b>Contingencies and commitments</b> (note 17)		

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

# Platmin Limited

(a development stage entity)

## Consolidated Statements of Operations, Deficit and Comprehensive Loss

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

	Three months ended November 30		Nine months ended November 30	
	2007	2006	2007	2006
	\$ 000	\$ 000	\$ 000	\$ 000
<b>Administrative expenses</b>				
Management and consulting fees	1,707	1,622	7,021	4,313
Travelling and promotion	110	69	283	205
Rental	46	19	135	53
Office	373	285	844	689
Professional fees	35	62	173	218
Interest	65	-	128	50
Amortization of property, plant and equipment	26	34	55	98
Foreign exchange (gain)/loss	(646)	518	(615)	14
	(1,716)	(2,609)	(8,024)	(5,640)
<b>Research and development costs</b>	-	(117)	82	(169)
<b>Deferred exploration costs written off</b>	-	-	(4)	(47)
	(1,716)	(2,726)	(7,946)	(5,856)
<b>Other income</b>	5	(2)	5	39
<b>Interest income</b>	691	439	2,062	665
	(1,020)	(2,289)	(5,879)	(5,152)
<b>Loss and comprehensive loss for the period</b>	(1,020)	(2,289)	(5,879)	(5,152)
<b>Deficit - Beginning of period</b>	(25,948)	(16,914)	(21,089)	(14,051)
<b>Deficit - End of period</b>	(26,968)	(19,203)	(26,968)	(19,203)
Basic and diluted loss per common share (note 8)	0.01	0.02	0.06	0.07
Weighted average number of common shares	97,676,177	91,744,644	95,535,694	71,453,980

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

# 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	
	2007	2006	2007	2006
	\$ 000	\$ 000	\$ 000	\$ 000
<b>Cash provided by/(used in)</b>				
<b>Operating activities</b>				
Loss for the period	(1,020)	(2,289)	(5,879)	(5,152)
Non-cash items				
Amortization of property, plant and equipment	26	34	55	98
Loss on sale of property, plant and equipment	-	2	6	-
Stock-based compensation expense	420	375	1,818	1,528
Foreign exchange gain	(646)	-	(615)	-
Changes in non-cash working capital items (note 6)	2,464	331	1,347	2,017
	<u>1,244</u>	<u>(1,547)</u>	<u>(3,268)</u>	<u>(1,509)</u>
<b>Investing activities</b>				
Purchase of property, plant and equipment	(6,749)	(4)	(8,239)	(112)
Proceeds from disposal of property, plant and equipment	-	4	15	10
Increase in restricted cash	(59)	-	(1,590)	-
Increase in rehabilitation investment	(652)	-	(652)	-
Increase in deferred exploration expenses	(1,450)	(1,336)	(5,073)	(5,546)
	<u>(8,910)</u>	<u>(1,336)</u>	<u>(15,539)</u>	<u>(5,648)</u>
<b>Financing activities</b>				
Increase in loan receivable	(197)	(8,863)	(1,149)	(8,944)
Increase in loan payable	299	-	793	-
Issue of common shares	189	1,695	3,264	51,976
Share issue expenses	-	(85)	-	(5,824)
	<u>291</u>	<u>(7,253)</u>	<u>2,908</u>	<u>37,208</u>
<b>Net increase/(decrease) in cash and cash equivalents during the period</b>	<b>(7,375)</b>	<b>(10,136)</b>	<b>(15,899)</b>	<b>30,051</b>
<b>Effect of exchange rate changes on cash held in foreign currencies</b>	<b>645</b>		<b>569</b>	
<b>Cash and cash equivalents - Beginning of period</b>	<b>34,808</b>	<b>60,122</b>	<b>43,408</b>	<b>19,935</b>
<b>Cash and cash equivalents - End of period</b>	<b>28,078</b>	<b>49,986</b>	<b>28,078</b>	<b>49,986</b>
<b>Supplementary information</b>				
Interest paid	65	-	128	165

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

# **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**

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. These financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company is in the process of exploring, evaluating and developing its mineral properties and projects and has recorded losses and net cash outflows from operations for the past two years. The Company is also required to make expenditures (as outlined in note 17 to the financial statements) in the near term to keep its mineral property rights current.

The Company’s ability to advance its exploration properties is dependent upon its ability to fund its working capital and exploration requirements and eventually to generate positive cash flows, either from operations or the sale of a property.

All 15 of the Company’s old order prospecting rights have been successfully converted into new order rights under the current South African mineral legislation.

### **2 Basis of presentation**

These unaudited interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and related notes included in the Company’s annual report to shareholders for the year ended February 28, 2007. These unaudited interim consolidated financial statements do not include all disclosure requirements of Canadian generally accepted accounting principles for annual financial statements, but have been prepared using the same accounting policies as included in note 3 of the Company’s annual financial statements for the year ended February 28, 2007, except for the adoption of the new CICA Handbook standards relating to financial instruments, comprehensive income, and hedges, as described in note 3 below.

### **3 Summary of significant accounting policies**

#### **Financial Instruments, Comprehensive Income and Hedges**

Cash and cash equivalents, receivables, accounts payable and accrued liabilities are short-term financial instruments whose fair values approximate their carrying values.

In January 2005, the CICA issued Handbook Sections 3855, “Financial Instruments – Recognition and Measurement”, 1530, “Comprehensive Income”, and 3865, “Hedges”. These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis. The Company has adopted these new standards effective March 1, 2007.

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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)

The Company has evaluated the impact of these new standards on its consolidated financial statements and determined that no adjustments are currently required.

### 4 Restricted cash

On June 27, 2007 a guarantee of \$1,590,146 was provided to Eskom for the ordering of the critical long lead time material, to reduce the project lead time. This guarantee was issued by ABSA Bank Limited and shall lapse after 24 months after the date of issue or on completion of delivery of the services contracted for. The restricted cash is accounted for at fair value.

### 5 Loans due from related parties

	November 30, 2007 \$ 000	February 28, 2007 \$ 000
Moepi Capital (Pty) Ltd. <sup>(1)</sup>	14,487	13,369
5 Brothers Mining (Pty) Ltd.	3	3
Private Preview Investments (Pty) Ltd.	166	120
Tafida Investments (Pty) Ltd.	3	3
Born Free Investments 144(Pty) Ltd.	-	4
Born Free Investments 330(Pty) Ltd.	-	4
Keenan Investments (Pty) Ltd.	42	38
Dream World Investments (Pty) Ltd	-	3
Moepi Resources Limited	-	6
Crowned Cormorant Investments 13 (Pty) Ltd.	-	2
	<u>14,701</u>	<u>13,552</u>

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

These loans, except as identified below, bear no interest and have no fixed terms of repayment.

<sup>(1)</sup> The loan receivable from Moepi Capital (Pty) Ltd relates to bridging finance advanced to Moepi Capital during fiscal 2007. The loan bears interest at LIBOR. The repayment of this loan has been extended by one year, and the loan is repayable in full on November 1, 2008.

The shares in Boynton that were acquired by Moepi at the same time as the loan are held by Platmin as security for the loan.

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## Notes to the Consolidated Financial Statements

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

### 6 Supplementary cash flow information

Changes in non-cash working capital items are as follows:

	For the three months ended		For the Nine months ended	
	November 30, 2007	November 30, 2006	November 30, 2007	November 30, 2006
	\$ 000	\$ 000	\$ 000	\$ 000
Receivables	(1,051)	68	(1,180)	219
Prepaid expenses	71	(2)	63	331
Accounts payable	3,528	167	2,619	1,355
Accrued liabilities	(84)	98	(155)	110
Increase	2,464	331	1,347	2,017

### 7 Property, plant and equipment

	November 30, 2007		
	Cost \$ 000	Accumulated amortization \$ 000	Net \$ 000
Vehicles	355	138	217
Computer equipment	193	133	60
Computer software	90	63	27
Office equipment	30	15	15
Furniture and fittings	96	24	72
Other equipment	16	13	3
Leasehold Improvements	85	11	74
Plant Construction	8,032	-	8,032
Rehabilitation asset	493	-	493
	9,390	397	8,993

  

	February 28, 2007		
	Cost \$ 000	Accumulated amortization \$ 000	Net \$ 000
Vehicles	353	154	199
Computer equipment	175	118	57
Computer software	58	52	6
Office equipment	22	13	9
Furniture and fittings	36	18	18
Other equipment	14	11	3
Rehabilitation asset	493	-	493
	1,151	366	785

The DME required a guarantee of \$493,325 before approving the application for a bulk sample. The full amount has been provided for in fiscal 2007. The final retirement obligation will only be established on completion of the bankable feasibility study, and would be provided for once construction has commenced.

# 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)

### 8 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.

	For the three months ended		For the Nine months ended	
	November 30, 2007 \$ 000	November 30, 2006 \$ 000	November 30, 2007 \$ 000	November 30, 2006 \$ 000
Loss attributable to shareholders (\$000)	1,020	2,289	5,879	5,152
Weighted average number of common shares	97,676,177	91,744,644	95,535,694	71,453,980
Basic and diluted loss per common share in US\$ per share	0.01	0.02	0.06	0.07

On August 10, 2006, the Company converted preferred 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.

As the Company is reporting a loss for all periods 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, 2007 other than the outstanding options described in note 12.

### 9 Mineral rights

	November 30, 2007 \$ 000	February 28, 2007 \$ 000
Balance – beginning and end of period	1,108	1,108

Boynton is the registered owner of an undivided share of all mineral rights (excluding chrome) in respect of certain portions of the property known as Vogelstruisnek 173, Registration Division J.P., North West Province and of all mineral rights (excluding chrome) over certain portions of the farm, Ruighoek 169, Registration Division J.P., North West Province.

Both of these properties form part of the Pilanesberg project and the new order prospecting rights have been granted in terms of the MPRDA.

# Platmin Limited

(a development stage entity)

## Notes to the Consolidated Financial Statements

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

### 10 Mineral exploration properties and deferred exploration expenses

<b>Mineral exploration properties – Acquisition cost</b>	<b>November 30,</b>	<b>February 28,</b>
	<b>2007</b>	<b>2007</b>
Balance brought forward and carried forward	4,619	4,619
<b>Deferred exploration expenses</b>	<b>November 30,</b>	<b>February 28,</b>
	<b>2007</b>	<b>2007</b>
Balance brought forward	21,503	13,787
Additions	5,073	8,260
Revenue credited	-	(544)
Balance carried forward	26,576	21,503

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

	<u>November 30, 2007</u>		<u>February 28, 2007</u>	
	Acquisition cost \$ 000	Deferred exploration expenses \$ 000	Acquisition cost \$ 000	Deferred exploration expenses \$ 000
Pilanesberg project				
Tuschenkomst	25	9,074	25	7,833
Witkleifontein	-	1,875	-	1,665
Rooderand	-	1,421	-	1,148
Ruighoek	-	3,480	-	3,067
Vogelstruisnek	-	56	-	50
Bakhoutrantje	-	47	-	30
Palmietfontein	-	532	-	531
Rietfontein 380JS	-	32	-	-
M'Phatlele project	3,055	6,475	3,055	4,181
Grootboom project				
Grootboom	1,514	1,747	1,514	1,469
Grootboom Tailings	-	65	-	42
Annex	-	495	-	454
Loskop project				
Loskop 2	-	481	-	388
Rietfontein 70JS	-	6	-	33
Golden Valley	-	150	-	59
Oorlogsfontein	-	84	-	84
Apiesboomen	-	37	-	94
Woolrich area 2	-	3	-	3
Woolrich area 3	-	3	-	3
Woolrich area 4	-	2	-	2
Veeplaats	-	14	-	10
Vogelenzang	-	75	-	71
Setseka area	25	7	25	7
Defacto area	-	18	-	16

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## Notes to the Consolidated Financial Statements

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

Scheiding	-	227	-	224
Bashoek	-	9	-	5
Tweelaagte, Diamant & Kleingenoeg	-	54	-	34
Moloena JV (Ruighoek (Ptn5) & Vogelstruisnek (Ptn2))	-	86	-	-
Strydfontein	-	11	-	-
Nooitgezien & Goedverwagt	-	4	-	-
	<u>4,619</u>	<u>26,570</u>	<u>4,619</u>	<u>21,503</u>

## 11 Share capital

### ( a ) Common shares

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

	<u>Number of shares</u>	<u>Amount \$000</u>
Balance, March 1, 2006	4,866,950	27,286
Rights Issue	733,154	14,663
Exercise of options	10,000	62
Conversion of preferred shares	<u>2,173,000</u>	<u>12,483</u>
Balance, August 10, 2006 - before ten-for-one split	<u>7,783,104</u>	<u>54,494</u>
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
Exercise of options	873,460	990
Fair value of options exercised	-	422
Fair value of warrants exercised	-	1,459
Exercise of warrants	2,000,000	1,460
Broker compensation options exercised	17,063	60
Share issue expenses	-	(6,068)
Balance, February 28, 2007 and May 31, 2007	<u>93,802,813</u>	<u>99,542</u>
Balance, June 1, 2007	93,802,813	99,542
Broker compensation options exercised	767,813	2,913
Exercise of options	4,964,245	351
Fair value of options exercised	-	1,448
Share issue expenses	-	-
Balance, November 30, 2007	<u>99,534,871</u>	<u>104,254</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. During fiscal 2007, the Company received \$3,493,800 for the second and third rounds of the rights issue. All the shares related to this rights issue were issued during fiscal 2007.

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## Notes to the Consolidated Financial Statements

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

On August 10, 2006, the Company's shares were listed on the Toronto Stock Exchange ("TSX") and the Alternative Investment Market of the London Stock Exchange ("AIM"). On this day, the 2,173,000 preference shares were 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 a ten-for-one split giving a total of 77,831,040 common shares outstanding after the split.

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

### ( b ) Preferred shares

An unlimited number of preferred shares have been authorised.

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, 2007 \$ 000	February 28, 2007 \$ 000
Balance - Beginning of period	2,480	2,147
Surplus - Vesting of previously issued options	1,837	2,215
Surplus - Warrants exercised	-	(1,460)
Surplus - Options cancelled	(20)	-
Surplus - Options exercised (cash)	(427)	-
Surplus - Options exercised (cashless)	(1,021)	(422)
Balance - End of period	<u>2,849</u>	<u>2,480</u>

## 12 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 up to 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.

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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:

	<u>Number of options</u>	<u>Weighted average exercise price \$</u>
<b>Movement during fiscal 2007</b>		
Options outstanding, March 1, 2006	635,128	9.72
Granted	350,000	20.00
Exercised	<u>(10,000)</u>	(6.25)
Options outstanding, November 30, 2006 – before the ten-for-one split	<u>975,128</u>	13.44
Options outstanding, September 1, 2006 – after the ten-for-one split	9,751,280	1.34
Granted	934,876	3.68
Exercised – compensation options	(17,063)	(3.53)
Exercised – options	(873,460)	(1.09)
Options cancelled – resignations	<u>(160,000)</u>	(1.20)
Options outstanding, February 28, 2007	<u>9,635,633</u>	1.58
Options exercisable, February 28, 2007	<u>7,695,313</u>	1.53
<b>Movement during fiscal 2008</b>		
Options outstanding, March 1, 2007	9,635,633	1.58
Granted	750,000	6.00
Exercised – compensation options	(767,813)	(3.79)
Exercised – options	(5,962,820)	(1.03)
Options cancelled – resignations	<u>(40,000)</u>	(0.70)
Options outstanding, November 30, 2007	<u>3,615,000</u>	1.99
Options exercisable, November 30, 2007	<u>2,990,000</u>	1.19

On June 7, 2006, prior to the TSX and AIM listings and the ten-for-one split, 10,000 options were exercised at \$6.25 per option.

During the third quarter of fiscal 2007, 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. On November 24, 2006, 17,063 of these broker options were exercised at \$3.53.

During the fourth quarter of fiscal 2007, 10,000 options at \$0.20, 50,000 options at \$0.63 and 653,460 options at \$1.20 were exercised.

On June 1, 2007 and August 28, 2007 respectively 600,000 options at \$5.74 and 150,000 options at \$7.04 were granted.

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## Notes to the Consolidated Financial Statements

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

On June 5, 2007 50,000 options at \$0.90 were exercised.

The remaining broker options of 767,813 options were exercised during July 2007 at \$3.79.

During July 2007 a total of 605,000 options at \$1.20 were exercised. In August 2007 a total of 955,320 options at \$1.20 were exercised. These options were a cashless exercise as per the Plan, calculated on the five day average price.

On August 14, 2007 270,000 options at \$0.20 and 100,000 options at \$0.63 were exercised and 15,000 cashless options were exercised at \$1.20.

During September 2007 a total of 300,000 at \$0.63 and 62,500 cashless options at \$1.20 were exercised. In October 2007 a total of 75,000 options at \$3.86 were exercised and in November 2007 30,000 options at \$5.74 and 3,500,000 options at \$2.00 were exercised. These options were a cashless exercise as per the Plan, calculated on the five day average price.

<b>Exercise date</b>	<b>Exercise price \$</b>	<b>Number of options</b>
<b>Options exercised during third quarter fiscal 2008</b>		
September 7, 2007	0.63	300,000
September 13, 2007	1.20	62,500
October 18, 2007	3.86	75,000
November 9, 2007	5.74	30,000
November 12, 2007	2.00	3,500,000
		<u>3,967,500</u>
<b>Options exercised during second quarter fiscal 2008</b>		
June 5, 2007	0.90	50,000
July 13, 2007	3.79	316,509
July 20, 2007	1.20	140,000
July 27, 2007	1.20	465,000
July 31, 2007	3.79	451,304
August 8, 2007	1.20	75,000
August 10, 2007	1.20	520,320
August 12, 2007	1.20	360,000
August 14, 2007	0.35	385,000
		<u>2,763,133</u>

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## Notes to the Consolidated Financial Statements

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

<b>Exercise date</b>	<b>Exercise price</b> \$	<b>Number of options</b>
<b>Options exercised during fiscal 2007</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
December 4, 2006	0.20	10,000
January 22, 2007	1.20	75,000
February 15, 2007	1.20	578,460
February 21, 2007	0.63	50,000
		<u>900,523</u>

As at November 30, 2007, the following options were exercisable and outstanding:

<b>Expiry date</b>	<b>Exercisable</b>		<b>Outstanding</b>	
	<b>Exercise price</b> \$	<b>Number of options</b>	<b>Exercise price</b> \$	<b>Number of options</b>
February 10, 2008	0.20	800,000	0.20	800,000
November 3, 2010	1.20	500,000	1.20	500,000
December 6, 2010	1.20	1,520,000	1.20	1,520,000
September 18, 2011	3.86	-	3.86	75,000
June 1, 2012	5.74	170,000	5.74	570,000
August 28, 2012	7.04	-	7.04	150,000
Weighted average	1.19	<u>2,990,000</u>	1.99	<u>3,615,000</u>

# Platmin Limited

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## Notes to the Consolidated Financial Statements

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

As at February 28, 2007, the following options were exercisable and outstanding:

Expiry date	Exercisable		Outstanding	
	Exercise price \$	Number of options	Exercise price \$	Number of options
September 6, 2007	0.20	1,090,000	0.20	1,090,000
September 6, 2007	0.63	400,000	0.63	400,000
August 10, 2007	0.90	50,000	0.90	50,000
August 10, 2007	3.51	665,437	3.51	665,437
August 25, 2007	3.51	102,376	3.51	102,376
November 3, 2010	1.20	500,000	1.20	500,000
December 6, 2010	1.20	2,262,500	1.20	3,177,820
April 12, 2011	2.00	2,625,000	2.00	3,500,000
September 18, 2011	3.86	-	3.86	150,000
Weighted average	1.53	<u>7,695,313</u>	1.58	<u>9,635,633</u>

Stock-based compensation expense is reflected in the consolidated statements of operations and deficit as follows:

	November 30, 2007 \$000	February 28, 2007 \$000
Management and consulting fees	<u>1,818</u>	<u>2,215</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 \$1,576,175 (2007: \$213,248).

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:

	November 30, 2007	February 28, 2007
Expected dividend yield	0.0%	0.0%
Expected volatility	66.08%	100.0%
Risk-free interest rate	4.5%	3.5%
Expected life	3 years	3.5 years

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## Notes to the Consolidated Financial Statements

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

### Warrants

The details of warrants issued are as follows:

	Number of warrants	Weighted average exercise price \$
<b>Movement during fiscal 2007</b>		
Warrants outstanding, March 1, 2006	200,000	7.30
Warrants outstanding, September 1, 2006 - after ten-for-one split	2,000,000	0.73
Exercise of warrants	(2,000,000)	(0.73)
Warrants outstanding, February 28, 2007	-	-

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

There have been no warrants issued during fiscal 2008.

### 13 Related party transactions

#### Ledima Investments (Pty) Ltd

During the nine months, transactions took place between Boynton and Ledima Investments (Pty) Ltd, over which one of the Boynton directors, appointed November 29, 2006, exercised significant influence. Consulting services totalling \$52,964 were undertaken by Ledima Investments (Pty) Ltd. These services were provided to Boynton at the exchange amount, which is the amount agreed to by each party, which was considered by the Board of Directors to be fair, and was paid in full. This contractual arrangement was terminated on 31 May 2007.

### 14 Loan payable

The long-term loan from Corridor Mining Resources (a subsidiary of Limpopo Economic Development Enterprise, previously Northern Province Development Corporation) bears interest at South African prime rate which is currently 14,5%, until otherwise agreed by the shareholders, and has no fixed terms of repayment. The loan is used by Mahube to fund exploration activities. The loan is to be repaid from the proceeds generated by the M'Phatlele project in Tameng, a subsidiary of Mahube. The increase in the loan is due to the increase in exploration activities and feasibility study cost.

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### 15 Rehabilitation investment

On August 31, 2007 the Pilanesberg Independent Technical Report for the Positive Pilanesberg Feasibility was filed. The DME required a rehabilitation guarantee of \$7,026,901 before approving the application for a mining right. This guarantee was provided on September 12, 2007. This guarantee consists of an insured underlying guarantee issued by a short term insurance company which requires an annual investment insurance premium of US\$ 651,621 for each of 3 years. The first premium of US\$ 651,621 is reflected as the rehabilitation investment.

### 16 Segmented information

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

Funds raised by the Company are held in USD, GBP and CAD interest bearing accounts in Canada (74.38%) and Guernsey (25.62%) until required by the South African operations.

### 17 Contingencies and commitments

- The Company has guaranteed the rehabilitation of numerous exploration targets. As at November 30, 2007, the total guarantees held by banks were \$701,326 (February 28, 2007 - \$66,255).
- Boynton has a prior 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 \$2,089,573 in aggregate will be payable to Impala.
- Boynton has an obligation, which cannot be quantified, 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 \$1,393,049, 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 \$627 per hectare towards mineral rights existing under the joint venture and towards any additional mineral rights included later. Any costs beyond \$627 per hectare will be shared equally between Lonmin and Boynton.
- 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.

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

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. The remaining balance for this, less the deposit, will be \$222,860.

- A Prospecting Contract was entered into on April 28, 2005 between Boynton and a BEE company, Sephaku, BHP and Samancor with respect to the farm Annex Grootboom 335KT (“Annex Grootboom”). In terms of the agreement, Samancor as the holder of certain old order rights pertaining to Annex Grootboom 335KT and Scheiding 407KS (Scheiding), was obligated to apply for conversion of these rights under the provisions of the MPRDA. Subsequent to a conversion being granted, Samancor is obligated in terms of the agreement to transfer the rights to PGM’s and all metals and minerals mineralogically associated therewith on Annex Grootboom and Scheiding (the “PGM rights”), to BHP.

Samancor lodged an application for conversion of the mining licence in December 2006. In terms of the same agreement, Sephaku was appointed to carry out exploration activities on Annex Grootboom and Scheiding on a contract basis.

In terms of the agreement, Sephaku has the right to, within one month of the completion of a Bankable Feasibility Study on Annex Grootboom, acquire from BHP the PGM Rights for cash consideration of \$8.00 per resource ounce as determined in a Bankable Feasibility Study in accordance with the SAMREC Code.

- Pilanesberg Platinum Mines (Pty) Ltd (“PPM”), a subsidiary of the Company, has entered into an agreement with Metso Minerals for the supply, delivery, erection and commissioning of primary and secondary ball mills for PPM. On August 22, 2007 a deposit of \$1,141,788 was paid to Metso Minerals to start work on the above mentioned order. Should the Company elect not to continue with this order with Metso Minerals, a break fee of \$1,868,756, in aggregate will be payable.
- On August 31, 2007 the Pilanesberg Independent Technical Report for the Positive Pilanesberg Feasibility was filed. The DME required a rehabilitation guarantee of \$7,026,901 before approving the application for a mining right. This guarantee was provided on September 12, 2007. This guarantee consists of an insured underlying guarantee issued by a short term insurance company which requires an annual investment insurance premium of US\$ 651,621 for each of 3 years. The first premium of US\$ 651,621 is reflected as a rehabilitation asset (refer to note 15).

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### 18 Minimum lease payments

	<u>1 Year</u>	<u>2-5 Years</u>
Office Rental	\$164,238	\$648,204

During the first quarter of 2008, the Company's subsidiary, Boynton, entered into an operating lease agreement for the rental of offices. The lease commenced on April 1, 2007, for a period of five years. The monthly rental will escalate by 8% per annum as per the agreement. The Company has the right to renew the lease for a further period of up to five years, provided in writing at least Nine months prior to the termination of the initial period.

### 19 Subsequent events

The Company successfully entered into an underwriting agreement with a syndicate of underwriters, to purchase 9,500,000 common shares at a price of Cdn\$8.50 per share, to raise gross proceeds of Cdn\$80,750,000. The net proceeds will be used principally to advance the development of the Company's Pilanesberg project. The offering closed on December 6, 2007 and the proceeds, net of brokers' commission, of Cnd\$74,283,540, were received on December 6, 2007.

The over-allotment option has been exercised in full which resulted in the issuance of an additional 1,425,000 common shares at an exercise price of Cdn\$8.50 per share, for gross proceeds of Cdn\$12,112,500. The offering closed on December 6, 2007 and the proceeds, net of Brokers commission, of Cnd\$11,506,860 for the over-allotment, were received on December 21, 2007.

This increases the number of common shares in issue to 110,459,871 after taking the above into account.

### 20 Comparative amounts

Certain comparative amounts have been reclassified to conform to the current period's presentation.