

PLATMIN LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2010



August 12, 2010

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") for the three and six months ended June 30, 2010 contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial and operating performance of Platmin Limited (the "Company" or "Platmin"), its subsidiaries and affiliated companies, and its mineral projects, the future price of platinum or other Platinum Group Elements ("PGEs"), PGE production levels, mining rates, the future price of other base metals, future exchange rates, the estimation of mineral resources and reserves, the realization of mineral resource estimates or their conversion into reserves, costs and future costs of production, capital and exploration expenditures, including remaining project development expenditure at the Pilanesberg Platinum Mine ("PPM"), costs and timing of the development of new deposits, costs and timing of the development of new mines, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations and exploration operations, timing and receipt of approvals, licenses, and conversions under South African mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and the timing and outcome of regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "targeted" or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements in this MD&A include, among others, the operation of open-cast mining; forecasts of actual production during the 12 month period ending December 31, 2010; the timing and achievement of steady state production in late 2012 of 250,000 ounces 3PGE + Au; recovery rates and grade; targets, estimates and assumptions in respect of platinum and other PGE prices and production; the quantum of PPM development shortfalls; net cash expenses for 2010 and the timing and completion of definitive feasibility work at the Mphahlele, Grootboom and Loskop Projects.

Such forward-looking statements are based on a number of material factors and assumptions, including, that contracted parties provide goods and/or services on the agreed timeframes, that equipment necessary for construction and development is available as scheduled and does not incur unforeseen break downs, that no labour shortages or delays are incurred, that plant and equipment functions as specified, that geological or financial parameters do not necessitate future mine plan changes, that no unusual geological or technical problems occur, and that grades and recovery rates are as anticipated in mine planning.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Platmin and/or its subsidiaries and/or its affiliated companies to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration and mining activities; development and operational risks; title risks; regulatory risks; conclusions of economic evaluations and studies; fluctuations in the value of the United States dollar relative to the Canadian dollar or South African rand; changes in project parameters as plans continue to be refined; future prices of platinum or other PGEs; possible variations of ore grade or recovery rates (including the existence of potholes, faults and other geological conditions that may affect the existence or recovery of resources and reserves); failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes, industrial unrest and strikes and other risks of the mining industry; political instability, insurrection or war; the effect of HIV/AIDS on labour force availability and turnover; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors communicated in the section entitled "Risk Factors" of Platmin's current annual information form ("AIF") and its final short form prospectus dated May 5, 2010, which can both be viewed at www.sedar.com. Although Platmin has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and Platmin disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein.

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1. Introduction

The Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is provided to enable the reader to assess and understand the financial position and results of operations for the three and six months ended June 30, 2010, in comparison to corresponding periods. Certain information in this MD&A must be read in conjunction with the audited consolidated financial statements of Platmin for the year ended December 31, 2009 (prepared in accordance with International Financial Reporting Standards ("IFRS")).

The MD&A should be read in conjunction with the condensed consolidated interim financial statements for the three and six months ended June 30, 2010 and supporting notes. 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, and the requirements of the Ontario Securities Commission ("OSC") for comparable quarters, the comparatives for the quarter ending May 31, 2009, are not directly comparable with the current balances for the quarter ended June 30, 2010.

The MD&A should also be read in conjunction with the company's Annual Information Form ("AIF") and the technical reports prepared by qualified persons in accordance with NI 43-101 on file with the Canadian provincial securities regulatory authorities. These documents can be found at www.sedar.com and at www.platmin.com.

All dollar amounts in this MD&A are expressed in United States dollars ("US\$"), unless otherwise specified. When used, C\$ refers to Canadian dollars. References to quarters are to financial quarters and not to calendar quarters, unless otherwise specified.

2. Overview

Platmin Limited (the "Company" or "Platmin") is continued under the laws of British Columbia, Canada and its common shares are listed on the Toronto Stock Exchange ("TSX"), the Alternative Investment Market of the London Stock Exchange ("AIM") and the Johannesburg Securities Exchange Limited ("JSE"). The Company trades under the symbol "PPN" on both TSX and AIM, whilst the symbol "PLN" identifies the shares on the JSE.

Platmin is a mineral exploration, development and operating company engaged in the exploration for, development of and operation of mines exploiting Platinum Group Element ("PGE") deposits in South Africa. The Company has developed and completed the construction of PPM, which is currently building up to full production, and is exploring for PGEs on its other three key projects namely Mphahlele, Grootboom and Loskop.

3. Overall Performance

The Company recorded a loss for the quarter ended June 30, 2010 of US\$0.571 million before taking into account the US\$23.455 million share based payment expense (fair value adjustment) relating to the convertible debenture issued. In total the loss for the quarter ended June 30, 2010 was US\$24.026 million, or a loss per share of US\$0.04, compared with a net loss of US\$13.585 million or a net loss per share of US\$0.03, for the quarter ended May 31, 2009. The increase in loss quarter on quarter was principally the result of the fair value on the convertible debentures issued in the quarter of US\$23.455 million offset by a foreign exchange gain of US\$7.304 million.

The Company recorded a loss for the six months ended June 30, 2010 of US\$29.207 million, or a loss per share of US\$0.05, compared with a net loss of US\$26.075 million or a net loss per share of US\$0.07, for the six months ended May 31, 2009.

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3. Overall Performance (continued)

The principal focus of the Company's operations is the development and operation of PPM. For a full description of the activities in the quarter, please refer to section 7.1 of this MD&A.

As at the quarter ended June 30, 2010, total mine development expenditure at PPM amounted to US\$257.159 million (ZAR1.957 billion) compared to US\$256.430 million (ZAR1.951 billion) at the financial year ended December 31, 2009. As at June 30, 2010, the total outstanding mine development expenditure to completion of the development was US\$14.988 million (ZAR114.037 million) which will bring the total projected mine development expenditure to US\$272.147 million (ZAR2.071 billion). This amount is higher than the original amount per the BFS of ZAR1.670 billion (which equated to US\$231.940 million based on an exchange rate of ZAR7.20 at the time of the study), due to changes in scope, particularly the inclusion of a 10MVA standby power station (see page 7 of this MD&A), cost increases experienced in general terms by the global mining industry over the past two years and variances in foreign exchange rates.

As at June 30, 2010, the total project expenditure for the construction and development of PPM, including capitalised pre-production costs, plant capital expenditure and offsetting revenue from metal sales during the pre-production phase, amounted to US\$456.432 million (ZAR3.473 billion). Outstanding mine development expenditure to completion of the construction and development phase of US\$14.988 million (ZAR114.037 million) will bring the total project expenditure to US\$471.420 million (ZAR3.587 billion). During the quarter under review, the build-up of mining operations to commercial production continued with associated costs, net of revenue from metal sales, capitalized as part of the total project capital expenditure.

On May 13, 2010, the Company issued, by way of a prospectus offering, a total of 205,761,317 new common shares of Platmin at a price of \$1.215 per common share for gross proceeds of US\$250 million. Underwriting fees and costs associated with the capital raising of US\$8.478 million were capitalized and offset against share capital resulting in net proceeds of US\$241.522 million. As part of the funds-raising process US\$135 million of Convertible Debentures have been placed, subject to conversion by December 31, 2010 at a price of US\$1.215. The total funding from the prospectus offering and private placement is US\$385 million.

In light of the fact that the board has decided to focus cash resources and capacity on bringing the PPM into full production, the Mphahlele, Grootboom and Loskop projects continue on a reduced work program. In the short term, Platmin will commit sufficient expenditure to these projects to ensure that the new order Prospecting Rights and Mining Rights are preserved. This expenditure will be funded from existing cash on hand.

Significant developments in the three months ended June 30, 2010 were as follows:

- On April 16, 2010 the company entered into an agreement to acquire the 10% interest in the Sedibelo Platinum Project ("Sedibelo") held by Barrick Gold Corporation ("Barrick") for a consideration of US\$15 million. In addition, Barrick has undertaken to transfer to Platmin, at cost, various long lead items required for the development of Sedibelo for a consideration of US\$45 million.
- On May 4, 2010, Pallinghurst Investor Consortium (Lux) S.a.r.l. ("Pallinghurst") and Investec Bank Limited ("Investec") subscribed for US\$30 million and US\$5 million respectively on the same terms and conditions as the Convertible Debenture issued to Ridgewood (discussed below).

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3. Overall Performance (continued)

- On May 13, 2010, the Company issued 205,761,317 new common shares by way of prospectus at a price of US\$1.215 per common share for a total consideration of US\$250 million. An aggregate of 95,358,025 common shares were underwritten by RBC Capital Markets and Investec Bank Limited for gross proceeds of US\$115.860 million with the balance of US\$134.140 million acquired directly from Platmin by Ridgewood Investments (Mauritius) Pte Ltd ("Ridgewood"), an indirect subsidiary of Temasek Holdings (Private) Limited, Algemene Pensioen Groep N.V., and Platmin's largest shareholder, Pallinghurst. As part of the funds-raising process US\$135 million of convertible debentures have been placed, subject to conversion by December 31, 2010 at a price of US\$1.215. The total funding from the prospectus offering and private placement is US\$385 million.
- The sales of the convertible debentures with a total consideration of US\$135 million to Ridgewood, Pallinghurst and Investec, each closed concurrently with the closing of the prospectus offering on May 13, 2010.
- On March 22, 2010, a subsidiary of Platmin entered into a ZAR191 million (an equivalent of US\$26 million at an exchange rate of ZAR7.38 = US\$1.00) short term lending facility with Pallinghurst Resources Limited ("Pallinghurst Resources"). As at the date of this MD&A, the full amount had been drawn against this facility.

Important events which occurred subsequent to June 30, 2010 include:

- On July 29, 2010, the Company provided an update on the status of agreements with Barrick regarding Sedibelo. As initially announced on April 16, 2010, Platmin would have acquired a 10% interest in Sedibelo for \$15 million from Barrick and in a separate agreement, Platmin had also agreed to acquire various long lead items required for the development of Sedibelo from Barrick for a consideration of \$45 million. The conditions precedent for the transactions, were not fulfilled. Accordingly, the transactions did not close.

4. Selected Quarterly Results

Expressed in US\$'000 except per share amounts.

	In accordance with IFRS							
	Jun'10	Mar'10	Nov'09	Aug'09	May '09	Feb '09	Nov '08	Aug '08
Loss / (profit) for the period	24,026	5,181	2,276	(6,620)	13,585	12,490	(6,686)	3,387
Basic and diluted loss / (profit) per share	0.04	0.01	0.01	(0.02)	0.03	0.07	(0.06)	0.03

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5. Results of Operations

Quarter ended June 30, 2010 compared to the quarter ended May 31, 2009

For the quarter ended June 30, 2010, mining and processing activities continued in the build-up phase to commercial production and the delivery of PGE concentrate to Northam continued at regular intervals. As a development stage company, Platmin will offset revenue from mining activities against capitalised operating costs until such time as PPM is brought into commercial production. In accordance with IFRS, revenue is recognised when the transfer of the risks and rewards of ownership takes place. During the quarter under review, revenue recognised in respect of concentrate deliveries made to Northam was offset against capitalized project development costs.

For the quarter ended June 30, 2010, net development expenditures at PPM that were capitalized to the balance sheet are summarized as follows:

	For the three months ended	
	June 30, 2010	May 31, 2009
	ZAR'000	ZAR'000
Net development expenditure capitalised in ZAR		
Capital development expenditure	5,638	329,362
Rehabilitation asset	84,720	42,970
Operating costs	278,775	208,376
Revenue	(114,106)	(14,880)
NET DEVELOPMENT EXPENDITURE CAPITALISED	243,751	565,828

	For the three months ended	
	June 30, 2010	May 31, 2009
	US\$'000	US\$'000
Net development expenditure capitalised in USD		
Capital development expenditure	740	41,133
Rehabilitation asset	11,135	5,401
Operating costs	36,641	26,190
Revenue	(14,998)	(1,607)
NET DEVELOPMENT EXPENDITURE CAPITALISED	32,038	71,117

The Company recorded a loss for the quarter ended June 30, 2010 of US\$0.571 million before taking into account the US\$23.455 million share based payment expense (fair value adjustment) relating to the option component of the convertible debenture issued. In total, the Company recorded a net loss for the quarter ended June 30, 2010 of US\$24.026 million, or a loss per share of US\$0.04 compared with a net loss of US\$13.585 million, or a loss per share of US\$0.03 per share, for the quarter ended May 31, 2009.

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5. Results of Operations (continued)

The results are summarized as follows:

	For the three months ended	
	June 30, 2010 US\$'000	May 31, 2009 US\$'000
General expenses	(4,922)	(3,353)
Other income and expenses	(16,407)	(10,218)
- Share-based payment expense (fair value adjustment)	(23,455)	-
- Foreign exchange gain / (loss)	7,304	(10,221)
- Other	(256)	3
Net finance costs	(2,697)	(14)
Loss profit before taxation	(24,026)	(13,585)
Income tax	-	-
LOSS FOR THE PERIOD	(24,026)	(13,585)

General expenses totalled US\$4.922 million for the quarter ended June 30, 2010, compared to the US\$3.353 million for the quarter ended May 31, 2009. The increase in general operating expenses was principally the result of increased employee and admin costs.

Other income and expenses includes foreign exchange gains of US\$7.304 million for the quarter ended June 30, 2010, compared to foreign exchange losses of US\$10.221 million for the quarter ended May 31, 2009. The movement in foreign exchange rates for the respective periods can be summarised as follows:

	For the three months ended (US\$1.00 = ZAR)	
	June 30, 2010	May 31, 2009
Minimum	7.1981	7.9563
Maximum	7.9465	10.5372
Closing spot	7.6083	7.9563
Average for the quarter	7.5137	9.2599

Also included in other income and expenses for the period under review is a fair value adjustment of US\$23.455 million relating to the share-based payment expense (fair value adjustment) on the convertible debenture issued on May 13, 2010.

Finance costs of US\$2.697 million were recorded in the quarter ended June 30, 2010, compared to US\$0.014 million in the quarter ended May 31, 2009. The net increase in finance costs is due to increased debt (Pallinghurst Resources promissory note), the amortization of the fair value adjustment on the non-interest bearing convertible debenture, the ESKOM finance lease and the unwinding of interest relating to the environmental rehabilitation provision, offset by interest received.

A total of US\$0.486 million (ZAR3.723 million) of deferred exploration expenditure was capitalized in the quarter ended June 30, 2010 compared with US\$0.891 million (ZAR6.781 million) in the quarter ended May 31, 2009. This decrease in costs is due to reduced activities on all projects other than PPM, whilst PPM builds up to commercial production.

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6. *Liquidity and Capital Resources*

The Company had unrestricted cash and cash equivalents of US\$212.931 million at June 30, 2010, as compared with US\$145.078 million at May 31, 2009. The net increase in cash and cash equivalents is primarily due to the US\$250 million capital raising completed during May 2010.

The Company had restricted cash of US\$159.580 million at June 30, 2010, as compared with US\$5.021 million at May 31, 2009. The net increase in restricted cash is primarily due to the convertible debenture issued of US\$135 million and the increase in rehabilitation guarantees of US\$23.001 million.

The Company finances its exploration and development activities by raising capital from equity markets or debt funding and through contributions by joint venture partners. Funding requirements for the Company's projects have historically been satisfied through the advance of shareholders' loans, by Platmin and Boynton Investments (Pty) Ltd ("Boynton") or subscription for shares (rights issues to shareholders of Boynton). The shareholders' agreements or joint venture agreements of Platmin's subsidiaries also generally make provision for the board of directors of each relevant company to seek finance on behalf of each company, although this has not been utilized to date. The expenditure for future exploration and development projects may require that the Company raise additional funds.

The Company's principal subsidiary, Boynton, operates in South Africa and as a result is subject to the South African Reserve Bank ("SARB") exchange control regulations. Shareholder loans from Platmin to Boynton, amounted to US\$449.729 million (which includes capitalised interest of US\$25.590 million) at June, 2010. Any repayment of foreign currency loans by a South African company to an offshore company, are subject to prior approval by the SARB.

New equity raisings

On May 13, 2010, the Company completed an issuance of 205,761,317 new common shares at a price of US\$1.215 per common share for a total consideration of US\$250 million, and the issuance of US\$135 million of non-interest bearing convertible debentures. Proceeds from the convertible debenture financing have been deposited to cash collateralized accounts, and in the event the convertible debentures are not converted in full prior to the maturity date, the principal amount will be returned to the holders.

The net proceeds to the Company from the Offering, after payment of the Underwriters Fee but before deducting the expenses of the Offering was estimated to be US\$244.016 million.

In accordance with the disclosure in Platmin's Short Form Prospectus dated May 5, 2010 the table below shows the actual use of proceeds against the planned use of proceeds from the financings as follows:

	Total use of proceeds	Actual to June 30, 2010
Financing use of proceeds	US\$'000	US\$'000
Operational and working capital funding requirements at PPM	150,000	19,644
Other corporate activities	45,000	-
Acquisition of 10% equity interest in Sedibelo .	15,000	-
Repayment of loan from Pallinghurst	26,000	-
Offering expenses	2,250	2,819
Exploration, general & administrative expenses .	5,766	2,221
	<u>244,016</u>	<u>24,684</u>
Underwriting fees	5,984	5,984
	<u>250,000</u>	<u>30,668</u>

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6. *Liquidity and Capital Resources (continued)*

As at June 30, 2010, Platmin's working capital was US\$205.921 million (Mar 31, 2010 – US\$12.112 million). Working capital is calculated as the total of unrestricted cash and cash equivalents (US\$212.931 million), inventory (US\$10.962 million) and accounts receivable (US\$29.926 million) less accounts payable and accrued liabilities (US\$18.353 million) and short-term loans (US\$29.546 million). Platmin's cash and cash equivalents comprise of cash in interest earning accounts and are fully liquid deposits held at major European and South African banks.

Working capital increased for the three months ended June 30, 2010 due primarily to the additional cash on hand from the equity raising completed in May.

Based on current production forecasts for PPM for the balance of calendar 2010, the Company forecasts net cash expenses (net of forecasted revenue from metals sales) of between US\$35 million to US\$50 million. This net cash outflow will be financed from Platmin's unrestricted cash and cash equivalents. Platmin expects approximately 90% of net cash expenses will be operationally incurred at PPM, with the balance being exploration, and general and administrative costs.

In addition to the forecasted expenditure as detailed above, the Company issued a cash-backed guarantee of US\$45.608 million to the Department of Mineral Resources ("DMR") on August 12, 2010.

As at June 30, 2010, the Company had 650,779,668 common shares in issue compared to 445,018,352 common shares in issue as at May 31, 2009.

7. *Results of Operations by Project*

In the quarter ended June 30, 2010, the Company spent US\$36.641 million (ZAR278.775 million) on development expenditure in the form of operating costs capitalized and US\$0.489 million (ZAR3.723 million) on exploration expenditure. All development expenditure was spent on PPM and was capitalized as project costs. Amounts spent on exploration were capitalized with exploration expenditure on the various key projects as follows: 8% was spent on the Mphahlele Project, 2% was spent on the Grootboom Project; 16% was spent on the Pilaanesberg Exploration projects, 26% was spent on the Loskop project and 48% on other projects. A summary of the expenditures by project along with the current proposed programs is set forth below.

7.1 *Pilaanesberg Platinum Mine*

The Company has developed the Pilaanesberg Project into the PPM, which constitutes an open-cast mining operation and a processing plant, producing a PGE concentrate for sale to Northam Platinum Limited ("Northam"), a third party smelting and refining operation located approximately 60 kilometres from PPM by road.

Due to the close proximity of the 'PGE-bearing' Merensky and UG2 reef horizons in this part of the Bushveld complex, these two ore bodies are exploited in one open-cast mining operation at PPM. Other economically viable reefs, commonly known as the Pseudo reefs, are also present between the two aforementioned reef horizons and will be extracted along with the Merensky reef as an overall Silicate Package. The Silicate Package is processed in the Merensky circuit and the UG2 reef horizon is processed in the UG2 circuit. Both concentrates are blended and forwarded to Northam's smelter in South Africa, for further processing into final metals under the current Concentrate Agreement entered into on June 30, 2008 with Northam.

7.1 Pilanesberg Platinum Mine (continued)

In March 2008, the removal of overburden and waste rock materials from the open pit commenced. This was followed in December 2008 with the start-up of reef mining. The mine is still in the build-up phase, building up to reach the planned steady state extraction rates of over 400,000 total tonnes per month or over 5 million total tonnes per annum of reef. Based on a revised mine plan, these targets are expected to be reached during the 2011 financial year. A Reverse Circulation ("RC") grade control drilling program at 10 meter centers was put in place on the initial mining blocks of the Tuschenkomst pit and is maintained a minimum of three months ahead of reef mining. Mine planning continues to take place at PPM to continuously update the mine scheduling on a short-term and long-term basis. The stock-piling of PGE-bearing ore ahead of the processing plant commenced in December 2008 with milling operations commencing in March 2009. The delivery of the first concentrate to Northam took place on April 1, 2009.

The total project development expenditures, net of revenue from metal sales and including capital expenditure, for the quarter ended June 30, 2010 of US\$32.038 million (ZAR243.751 million) has been capitalized. Total capitalized project development expenditure, net of revenue from metal sales, to date now stands at US\$456.432 million (ZAR3.473 billion).

In July 2007, a Bankable Feasibility Study ("BFS") was completed and the total estimated value of mine development expenditure was ZAR1.670 billion. At the time of the study, this translated to US\$231.940 million at an estimated exchange rate of ZAR7.20 to US\$1.00. In November 2007, PPM entered into an agreement with engineering firm Dowding, Reynard and Associates Engineering (Pty) Limited ("DRA") to implement the overall design and construction phase at PPM, including the processing plant. The processing plant was designed based on two separate processing circuits to crush, mill and float the ore from the UG2 and Merensky reefs as two separate streams. In addition, the Merensky reef circuit includes a DMS circuit to upgrade low grade ore. The overall design of the processing plant was based on processing in excess of 5 million tonnes per annum of reef ore, including low grade DMS material, milling in excess of 3.4 million tonnes per annum of upgraded ore and producing 250,000 ounces of 3PGE+Au on an annualized basis. The operation of the processing plant has been sub-contracted to Minopex (Pty) Ltd, a division of DRA.

As part of the construction of PPM, a commitment was secured from ESKOM for the supply of the 37MVA of new power by mid 2009 that is required for the full operation of the processing plant. The first phase of the implementation plan was completed by ESKOM in March 2009, with the installation of 14MVA of new power supply for the operation of the UG2 circuit of the plant. Installation of the remaining 23MVA of installed power was completed on June 7, 2009 allowing for the commencement of the commissioning phase of the Merensky Reef circuit.

In addition to the regular power supply from ESKOM, the construction of a complete 10MVA standby diesel generator power plant ("power plant") at a cost of US\$19.707 million (ZAR144.350 million), has been completed at PPM. This facility is capable of providing sufficient power to run the UG2 section of the processing plant on an ongoing basis in the event that ESKOM is unable to provide constant power to the mine over an extended period of time, it is also able to provide sufficient additional power if ESKOM reduce the contracted power supply to the mine by up to 10MVA. This 10 MVA power plant was commissioned on December 2, 2009.

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7.1 Pilanesberg Platinum Mine (continued)

Construction of the processing plant commenced in October 2007 and was completed during the first quarter of the current financial year. In March 2009, the processing of material through the UG2 circuit commenced, signalling the commencement of the plant operation to produce a metal in concentrate ready for smelting, refining and sale under the Concentrate Agreement to Northam. In June 2009, following the installation by ESKOM of the additional 22MVA of power, the processing of material through the Merensky circuit commenced. Final commissioning will take place subsequent to quarter end.

Important features of the performance for the quarter ended June 30, 2010, were:

	Unit	For the three months ended	
		June 30, 2010	May 31, 2009
Topsoil stripped	bcm	107,220	109,988
Waste stripped	bcm	4,012,655	3,830,474
Reef delivered to the ROM pad	tonnes	551,673	659,776
Reef milled	tonnes	608,182	155,246
Total stock pile	tonnes	982,704	816,793
- UG2	tonnes	27,498	91,708
- Merensky	tonnes	62,406	214,736
- Pseudo reef	tonnes	143,349	92,486
- Low grade material	tonnes	749,451	417,863
Average head grade	g/t	1.64	2.59
Average recovery	%	36.1	14.0
Ounces dispatched and sold	oz	10,548	1,807
4E basket price			
- USD	US\$	1,438	981
- ZAR	ZAR	10,797	8,521
Revenue from metal sales (capitalised to development cost)			
- USD	US\$	14.998 million	1.607 million
- ZAR	ZAR	114.106 million	14.880 million

As at the quarter ended June 30, 2010, total plant and mine development capital expenditure at PPM amounted to US\$257.159 million (ZAR1.957 billion) compared to US\$256.430 million (ZAR1.951 billion) at the financial year ended December 31, 2009. As at June 30, 2010, the total outstanding plant and mine development capital expenditure to completion of the construction phase was US\$14.988 million (ZAR114.037 million) which will bring the total projected plant and mine development capital expenditure to US\$272.147 million (ZAR2.071 billion). This amount is higher than the original amount per the BFS of ZAR1.670 billion (which equated to US\$231.940 million based on an exchange rate of ZAR7.20 at the time of the study), due to changes in scope, particularly the inclusion of a 10MVA standby power station, cost increases experienced in general terms by the global mining industry over the past two years and variances in foreign exchange rates.

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7.1 Pilanesberg Platinum Mine (continued)

As at June 30, 2010, the total capitalised project expenditure, for the development of PPM, including plant and mine development capital expenditure, capitalised pre-production costs and offsetting revenue from metal sales during the pre-production phase, amounted to US\$456.432 million (ZAR3.473 billion). Outstanding plant and mine development capital expenditure to completion of the construction phase of US\$14.988 million (ZAR114.037 million) will bring the total capitalised project expenditure spent to US\$471.420 million (ZAR3.587 billion).

During the quarter under review, the build-up of mining operations towards commercial production continued. The associated costs, were capitalized as part of the total project capital expenditure.

7.2 Pilanesberg Platinum Mine Outlook for 2010

The PPM continues to develop. During the six months ended June 30, 2010, a total of 25,072 (3PGE+Au) ounces having been dispatched and sold. Platmin has planned further increases in production during the balance of 2010. During the remaining six months of 2010, Platmin expects to produce up to 55,000 ounces (3PGE + Au) for forecast annual production during 2010 of up to 80,000 ounces (3PGE + Au).

Upon completion of the mine planning and budgeting for 2011, the updated guidance on the full year production for 2011 will be published.

Mining through the structurally complex oxidized and transitional zones along the western boundary of the pit continues. Most of this ore will be depleted during the remaining six months of 2010 and thereafter fresh sulphide ores with significantly higher recoveries will be accessed. The improvement in recoveries is evident when fresh ore is campaigned through the plant on a batch basis. Mine planning and control is focused on a pit layout which will facilitate the achievement of production targets for the full life cycle of the mine.

7.3 Pilanesberg Exploration projects

The total exploration expenditure on various Pilanesberg exploration projects totalled US\$0.026 million (ZAR0.200 million) for the quarter ended June 30, 2010. Total exploration expenditure since the inception of the Pilanesberg Exploration Project of US\$14.650 million (ZAR111.462 million), has been capitalized. In accordance with the Group's accounting policies, these costs are capitalised as part of "Exploration and evaluation assets".

Work program

The Pilanesberg exploration projects consist of properties adjacent to PPM. The focus is on advancing earlier stage properties, through programs of soil sampling, trenching, percussion drilling and ultimately diamond drilling. Platmin is also conducting limited chrome exploration on properties in the Pilanesberg Exploration Project area where these rights are held.

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7.4 Mphahlele Project

In the quarter ended June 30, 2010, a total of US\$0.038 million (ZAR0.291 million) was spent on the Mphahlele project bringing the cumulative expenditure to date on the project by the Company to US\$12.478 million (ZAR94.940 million), excluding acquisition costs. In accordance with the Group's accounting policies, these costs are capitalised as part of "Exploration and evaluation assets".

During the quarter under review, the Company continued with the Definitive Feasibility Study ("DFS") on the Mphahlele project.

Work program

In light of the fact that the board have decided to focus cash resources and management on bringing PPM into full production, this project has been put on a reduced work program for the short term. The reduced primary expenditure at Mphahlele during the 2010 fiscal year is expected to be limited to activities related to the DFS including metallurgical test work, and revision of resource models to include mining dilution (various scenarios), mining design, geotechnical investigations and the environmental impact assessment/management program.

7.5 Grootboom Project

In the quarter ended June 30, 2010, the Company spent US\$0.012 million (ZAR 0.088 million) on Grootboom and Annex Grootboom (upon which Platmin has an option to acquire the PGE rights on completion of a DFS), bringing the cumulative expenditure to date on the project to US\$5.639 million (ZAR42.905 million). In accordance with the Group's accounting policies, these costs are capitalised as part of "Exploration and evaluation assets".

The project advanced to the DFS stage during the quarter under review. The DFS is expected to be completed in the third quarter of fiscal 2010.

Work program

In light of the fact that the board have decided to focus cash resources and management on bringing PPM into full production, this project has been put on a reduced work program. The reduced primary expenditure at Grootboom during the 2010 fiscal year is expected to be limited to activities related to the DFS including metallurgical test work, and the revision of resource models to include mining dilution (various scenarios), mining design, geotechnical investigations and the environmental impact assessment/management program.

7.6 Loskop Project

Lonmin Plc is the operator of the Loskop Project and funds all exploration expenditures on the project (except for a portion of Rietfontein as mentioned below), as part of their option to acquire 50% in the joint venture. As a result thereof, limited expenditure has been incurred by Platmin.

In the quarter ended June 30, 2010, the Company incurred less than US\$0.156 million (ZAR1.185 million) on the Loskop Project. Total cumulative exploration expenditure on this project since inception is US\$0.974 million (ZAR7.413 million). In accordance with the Group's accounting policies, these costs are capitalised as part of "Exploration and evaluation assets".

Work program

Lonmin Plc announced in a press release on November 18, 2008 that their management has decided, given their focus on cash management and the current state of the worldwide credit markets, to put a number of their projects, including Loskop, on a reduced work program for the short term. This is likely to affect the work program at Loskop in the 2010 financial year.

Although work has continued during the year in order to assist in increasing our understanding of the Loskop mineralization, the mineral resources were not revised during the quarter ended June 30, 2010.

8. Contractual Obligations

The Company's contractual obligations are as follows:

Contractual obligations US\$'000	Payments due by period as at June 30, 2010				
	Total	< 1 year *	1-3 years	4-5 years	After 5 years
Employee entitlements ⁽¹⁾	416	416	-	-	-
Operating lease ⁽²⁾	323	88	235	-	-
Finance lease ⁽³⁾	19,082	648	2,590	2,590	13,254
Committed Capital Cost ⁽⁴⁾	14,988	13,895	1,093	-	-
Asset Retirement Obligation ⁽⁵⁾	98,310	-	-	-	98,310
Mining and Processing costs ⁽⁶⁾	424,595	47,794	281,214	95,587	-
Total Contractual Obligations	557,714	62,841	285,132	98,177	111,564

- (1) The employee entitlements include the leave pay due to employees in terms of their employment contracts.
- (2) This includes the contractual monthly payments for the rental of the Company's corporate office.
- (3) These amounts constitute the minimum lease payments due to ESKOM for the electrical installation at PPM. Please refer to note 10 of the condensed consolidated financial statements.
- (4) The Committed Capital Cost includes outstanding amounts in respect of mine development expenditure to the completion of the plant construction project.
- (5) This amount of US\$98.310 million (ZAR747.971 million) represents the gross asset retirement obligation incurred to date, to rehabilitate the opencast pit and plant at PPM at the end of life of mine, in accordance with the mining licence. Please refer to note 13 in this MD&A for information regarding the financing of this obligation. The amount disclosed in note 11 of the condensed consolidated interim financial statements of \$74,100 million (ZAR563.774 million) represents the discounted value of such amount. Refer to note 13 in this MD&A for discussion of the funding requirements for this obligation.
- (6) Committed mining expenses include the remaining value of the agreement with engineering firm DRA to implement the design and construction phase of PPM, the contracts with Minopex for managing the plant operations and maintenance of the Merensky and UG2 metallurgical concentrator plants, and MCC for carrying out the opencast mining operations.

9. Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

10. Related Party Transactions

On April 22, 2010, the Company entered into a ZAR191.000 million (an equivalent of US\$26.000 million at an exchange rate of ZAR7.38 =US\$1.00) short term lending facility with Pallinghurst.

On May 13, 2010, the Company entered into zero percent convertible debentures of US\$35 million with Pallinghurst (US\$30 million) and Investec Bank Limited ("Investec") (US\$5 million).

11. Proposed Transactions

The Company continues to evaluate opportunities in the market with a view to expand the current business. At the current time there are no reportable proposed transactions.

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12. *Black Economic Empowerment ("BEE")*

Pursuant to the investors and subscription agreement entered into in December 2008 with, among others, Ivy Lane Capital Limited, being the South African investment vehicle of the Pallinghurst Investor Consortium, the Bakgatla-Ba-Kgafela Tribe and the Bakgatla Pallinghurst JV (Proprietary) Limited, the Moepi Group was required by March 31, 2010, subject to certain conditions precedent, to exchange its 27.61% interest in Boynton for common shares in Platmin ("The Moepi Exchange"). Not all the conditions were satisfied by March 31, 2010 and the parties to the agreement agreed not to extend the fulfilment date thereof and accordingly the Moepi Exchange was not completed.

Platmin has funded a total of US\$9.536 million on behalf of its BEE partners for exploration activities, by way of loan account to date. All such amounts remain outstanding on inter-company loan accounts.

13. *Environmental Matters*

The Company conducts exploration on its key projects and prospects subject to mineral exploration permit applications made to and issued by the DMR. For each exploration program, a rehabilitation plan is included with the application and where required the appropriate bond or funds are lodged with the relevant agent of the DMR in respect of the rehabilitation work which may have to be carried out when the exploration program is completed and no further work is planned on the property. All such environmental plans or bonds are in the normal course of the business.

In respect of PPM, the DMR required a rehabilitation guarantee of US\$7.027 million (ZAR50 million) before approving the application for a Mining Right. This guarantee has been provided by Guardrisk Insurance Company Limited ("Guardrisk") on an insurance basis, with an amount of US\$1.835 million (ZAR13.500 million) paid over into a separate PPM bank account and ceded in favour of Guardrisk as collateral against the issuance of this guarantee. Ongoing contributions are made by PPM to fund the balance of the liability over the remaining life of mine. During the quarter under review, bank guarantees to the value of USD\$23.001 million (ZAR125.000 million) were provided to the DMR in respect of the rehabilitation liability as at February 28, 2009. These guarantees are secured by cash deposited as collateral with the issuing bank. A further guarantee of US\$45.608 million (ZAR346.464 million) in respect of the year ended December 31, 2009, was issued on August 12, 2010. Further insurance guarantees in the amount of US\$14.268 million (ZAR104.987 million) have been provided to ESKOM for the supply of power and certain related infrastructure.

In respect of the Mphahlele Project, the DMR required a rehabilitation guarantee of US\$2.135 million (ZAR16.609 million) before the issuing of the Mining Right. This guarantee has been provided by Guardrisk on an insurance basis, with an amount of US\$1.576 million (ZAR11.600 million) paid over into a separate Boynton bank account and ceded in favour of Guardrisk as collateral against the issuance of this guarantee. Ongoing contributions are made by Boynton to fund the balance of the liability over the remaining life of the prospecting permit.

In respect of the Grootboom project, negotiations with the DMR are currently in progress to determine the amount of the rehabilitation guarantee required by the DMR before issuing the Mining Right.

Environmental guarantees are released by the DMR on completion of the obligations in terms of the rehabilitation plans contained within either the application for the prospecting permits, or the mining right.

14. Mineral and Petroleum Resources Royalty Act, 2008 (Act no. 28 of 2008)

The South African government has enacted the Mineral and Petroleum Resources Royalty Act (the "Royalty Act"), which imposes a royalty payable to the South African government by businesses based upon financial profits made through the transfer of mineral resources.

The legislation was passed on November 17, 2008 and was due to come into operation on May 1, 2009. During his budget speech in February 2009, the South African Minister of Finance deferred the implementation of the Royalty Act to March 1, 2010. In terms of the legislation resulting from the Royalty Act, a royalty will be levied for the benefit of the National Revenue Fund of the government of the Republic of South Africa. The amount levied will be based on a percentage calculated by means of a formula, from a minimum of 0.5% up to a maximum of 5% on gross sales of refined mineral resources or 7% on gross sales of unrefined mineral resources.

During the period under review, Royalty tax amounting to US\$0.122 million (ZAR0.916 million) has been paid to the South African government.

15. Critical Accounting Estimates

The Company's significant accounting principles and methods of application are disclosed in the notes of the Company's consolidated financial statements for the year ended December 31, 2009. The following is a discussion of the critical accounting policies and estimates which management believes are important for an understanding of the Company's financial results.

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Group's functional currency, as determined at the transition date of March 1, 2008, is the South African Rand ("ZAR"). The consolidated financial statements are presented in United States Dollars ("USD") which is the Group's presentation currency for purposes of dual listing and foreign shareholders.

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial period end;
- income and expenses for each statement of income and comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- equity transactions are translated using the exchange rate at the date of the transaction; and all resulting exchange differences are recognized as a separate component of equity.

Share based payment transactions

Transactions which may result in the entity issuing its own equity are within the scope of *IFRS2 – Share based payments* when the fair value of the instrument is greater than the proceeds received. On this basis the convertible debentures have been accounted for under IFRS 2.

The fair value of the instruments granted is measured using generally accepted valuation techniques and is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date.

15. Critical Accounting Estimates (continued)

Exploration and evaluation assets and development expenditure

Exploration and evaluation costs, including the cost of acquiring licenses, are capitalized as exploration and evaluation assets on a project-by-project basis pending determination of the technical feasibility and the commercial viability of the project. The capitalized costs are presented as either tangible, or intangible exploration and evaluation assets according to the nature of the assets acquired.

Capitalized costs include costs directly related to exploration and evaluation activities in the area of interest. General and administrative costs are only allocated to the asset to the extent that those costs can be directly related to operational activities in the relevant area of interest. When a license is relinquished or a project is abandoned, the related costs are recognized through profit and loss immediately.

Inventory

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Provisions

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against their operating profit as extraction progresses. Changes in the measurement of a liability which arises during production are charged against operating profit.

The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation.

In accordance with the Group's policy and applicable legal requirements, a provision for decommissioning liabilities is recognized when the asset is installed and rehabilitation liabilities are recognized when the land is disturbed.

Revenue

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is not recognized if there are significant uncertainties regarding recovery of the consideration due.

No revenue is recorded in the condensed consolidated interim statement of income and comprehensive income as the Pilanesberg Mine has not yet reached commercial production.

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16. Financial Instrument and Other Instruments

The Company has the following financial instruments: cash and cash equivalents, other receivables, accounts payable, accrued liabilities, borrowings and convertible debentures. These instruments are short-term financial instruments whose fair value approximates their carrying value given that their maturity period is short.

17. Outstanding Share Data

As at June 30, 2010, the Company had 650,779,669 issued and outstanding common shares.

As at June 30, 2010, there were 5,103,765 outstanding options exercisable for common shares and a further 2,827,968 unvested share options, which, if exercised, would result in the issue of an additional 2,827,968 common shares. The total options outstanding at June 30, 2010, totalled 7,931,733 options.

As at August 12, 2010, the Company had 650,779,669 issued and outstanding common shares.

18. Risks and Uncertainties

The Company is in the business of the exploration and development of mineral properties and the operation of mines directly or through third parties. There are numerous risks associated with this business and specific risks with regards to the South African mining environment.

Readers are urged to review the section titled "Risk Factors" appearing in Platmin's current AIF for the financial year ended December 31, 2009, which can be viewed at www.sedar.com.

19. Internal control over financial reporting

Management has evaluated or caused to be evaluated, the effectiveness of the Company's disclosure controls and procedures and the internal control over financial reporting and concluded that the Company's disclosure and internal control over financial reporting was effective as of the end of the financial quarter ended June 30, 2010. Platmin has identified no material weakness in the design of its internal controls over financial reporting. There has been no change in Platmin's internal controls over financing reporting since its year-end MD&A for the period ended December 31, 2009 or in the quarter ended June 30, 2010, that has materially affected, or is reasonably likely to materially affect, Platmin's internal controls over financial reporting.