Platmin Limited

(A development stage company)

Condensed Consolidated Interim Financial Statements

for the three and six month periods ended August 31, 2009

(Unaudited, expressed in United States dollars, unless otherwise stated)

Platmin Limited

(A development stage company)

Condensed consolidated interim statement of financial position

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

	Notes	August 31, 2009 $000	August 31, 2008 $ 000	Feb 28, 2009 $000	Mar 1, 2008 $ 000
ASSETS					
Non-current assets					
Exploration and evaluation assets	6	33,295	29,179	25,078	25,591
Mineral rights		2,707	2,715	2,108	2,808
Intangible assets	7	9,412	-	5,389	-
Mineral properties		3,737	3,748	2,911	3,880
Property, plant and equipment	8	338,564	102,642	188,084	23,054
Leased assets	9	12,114	-	-	-
Loans receivable		43	14,899	35	14,680
Cash investments and guarantees	10	5,537	1,300	2,497	2,683
Total non-current assets		405,409	154,483	226,102	72,696
Current assets					
Inventories		5,179	-	6,943	-
Trade and other receivables		20,010	9,102	8,506	3,897
Cash and cash equivalents	10	60,871	61,453	127,950	90,457
Total current assets		86,060	70,555	143,399	94,354
TOTAL ASSETS		491,469	225,038	369,501	167,050
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	11	425,535	192,143	366,180	192,116
Accumulated deficit		(32,599)	(35,144)	(27,360)	(34,229)
Other components of equity		57,203	(617)	(29,939)	3,068
		450,139	156,382	308,881	160,955
Non-controlling interests	12	(18,342)	(3,026)	(16,618)	82
Total equity		431,797	153,356	292,263	161,037
Non-current liabilities					
Long-term borrowings	13	3,492	1,853	2,121	1,388
Finance lease liability	14	11,924	-	-	-
Long-term provisions	15	27,623	2,778	12,791	1,461
Total non-current liabilities		43,039	4,631	14,912	2,849
Current liabilities					
Trade payable and accrued liabilities		16,548	20,667	23,574	3,164
Current portion of finance lease liability	14	85	-	-	-
Current portion of long-term borrowings	16	-	46,384	38,752	-
Total current liabilities		16,633	67,051	62,326	3,164
Total liabilities		59,672	71,682	77,238	6,013
TOTAL EQUITY AND LIABILITIES		491,469	225,038	369,501	167,050

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

Platmin Limited

(A development stage company)

Condensed consolidated interim statement of income and comprehensive income for the period

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

	Notes	For the three months ended		For the six months ended	
		August 31, 2009 $ 000	August 31, 2008 $ 000	August 31, 2009 $ 000	August 31, 2008 $ 000
General expenses	17	(4,595)	(3,768)	(7,865)	(6,466)
Other income	17	11,080	1,055	781	2,440
Finance income / (costs)		138	(674)	124	1
Profit / (loss) before taxation	17	6,623	(3,387)	(6,960)	(4,025)
Income tax expense		(3)	-	(3)	-
PROFIT / (LOSS) FOR THE PERIOD		**6,620**	**(3,387)**	**(6,963)**	**(4,025)**
Other comprehensive income:					
Exchange differences on translating foreign operations		(11,399)	2,982	(85,799)	5,928
Income tax relating to components of other comprehensive income		-	-	-	-
Other comprehensive (loss) / income for the period, net of tax		(11,399)	2,982	(85,799)	5,928
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD		**(4,779)**	**(405)**	**(92,764)**	**1,903**
(Loss) / income attributable to:					
Owners of the parent		7,736	(1,529)	(5,239)	(917)
Non-controlling interest		(1,116)	(1,858)	(1,724)	(3,108)
		6,620	**(3,387)**	**(6,963)**	**(4,025)**
Total comprehensive (loss) / income attributable to:					
Owners of the parent		(3,663)	1,453	(91,040)	4,201
Non-controlling interest		(1,116)	(1,858)	(1,724)	(3,108)
		(4,779)	**(405)**	**(92,764)**	**1,093**
Earnings / (loss) per share (in currency units):					
Basic and diluted	18	0.02	(0.03)	(0.02)	(0.04)

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

Platmin Limited

(A development stage company)

Condensed consolidated interim statements of changes in shareholders' equity

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

	Equity attributable to the shareholders							
	Share Capital	**Deficit**	**Share Based Payment Reserve**	**Warrants**	**Foreign Currency Translation Reserve**	**Subtotal**	**Non-controlling interest**	**Total Equity**
	$ 000	**$ 000**	**$ 000**	**$ 000**	**$ 000**	**$ 000**	**$ 000**	**$ 000**
Balance at February 29, 2008	**192,116**	**(34,229)**	**3,068**	**-**	**-**	**160,955**	**82**	**161,037**
Shares issued	174,037	-	-	-	-	**174,037**	-	**174,037**
Profit for the period	-	6,869	-	-	-	**6,869**	-	**6,869**
Stock based compensation	-	-	4,288	-	-	**4,288**	-	**4,288**
Fair value of options exercised	27	-	(27)	-	-	**-**	-	**-**
Currency translation adjustment	-	-	-	-	(38,012)	**(38,012)**	-	**(38,012)**
Fair value of warrants issued	-	-	-	744	-	**744**	-	**744**
Non-controlling interest – portion of loss	-	-	-	-	-	**-**	(16,700)	**(16,700)**
Balance at February 28, 2009	**366,180**	**(27,360)**	**7,329**	**744**	**(38,012)**	**308,881**	**(16,618)**	**292,263**
Shares issued	59,355	-	-	-	-	**59,355**	-	**59,355**
Loss for the period	-	(5,239)	-	-	-	**(5,239)**	-	**(5,239)**
Stock based compensation	-	-	1,343	-	-	**1,343**	-	**1,343**
Currency translation adjustment	-	-	-	-	85,799	**85,799**	-	**85,799**
Fair value of warrants issued	-	-	-	-	-	**-**	-	**-**
Non-controlling interest – portion of loss	-	-	-	-	-	**-**	(1,724)	**(1,724)**
Balance at August 31, 2009	**425,535**	**(32,599)**	**8,672**	**744**	**47,787**	**450,139**	**(18,342)**	**431,797**

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

Platmin Limited

(A development stage company)

Condensed consolidated interim statements of cashflows

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

	Notes	For the three months ended		For the six months ended	
		August 31, 2009 $ 000	August 31, 2008 $ 000	August 31, 2009 $ 000	August 31, 2008 $ 000
Cash flows from operating activities					
Cash receipts from customers		4,128	-	4,128	-
Cash paid to supplies and employees		(4,726)	4,129	(12,676)	8,896
Cash (utilized in) / generated from operations		(598)	4,129	(8,548)	8,896
Interest (paid) / received		(76)	(43)	91	699
Income taxes paid		(3)	-	(3)	-
Net cash (used in) / from operating activities		**(677)**	**4,086**	**(8,460)**	**9,595**
Cash flows from investing activities					
Purchase of property, plant and equipment		(47,627)	(54,096)	(101,146)	(79,123)
Proceeds from sale of property, plant and equipment		-	7	-	7
(Increase) in intangible assets		(2,494)	-	(2,494)	-
Decrease / (Increase) in rehabilitation investment		1,486	1,417	(401)	1,325
(Increase) in deferred exploration expenses		(211)	(2,540)	(1,084)	(4,491)
Net cash used in investing activities		**(48,847)**	**(55,212)**	**(105,125)**	**(82,282)**
Cash flows from financing activities					
(Decrease) / Increase in loans payable		(52,547)	46,052	(51,987)	46,052
(Decrease) in finance lease liability		(837)	-	(837)	-
Realised foreign exchange gains		11,994	-	14,695	-
Proceeds from issue of shares		-	-	59,355	-
Net cash used in financing activities		**(41,390)**	**46,052**	**21,226**	**46,052**
Net (decrease) in cash and cash equivalents		(90,914)	(5,074)	(92,359)	(26,635)
Net foreign exchange differences		56,571	(843)	64,347	(2,369)
Cash and cash equivalents at the beginning of period	10	95,214	67,370	88,883	90,457
Cash and cash equivalents at the end of period	10	**60,871**	**61,453**	**60,871**	**61,453**

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

1. Nature of operations and going concern

Platmin Limited (the "Company") and its subsidiaries (the "Group") is a development stage Natural Resources Group engaged in the acquisition, exploration and development of Platinum Group Elements ("PGE") properties in South Africa. Platmin Limited, the holding company, was incorporated under the Canada Business Corporation Act on May 23, 2003. The Company is continued under the laws of British Columbia, Canada and its Common Shares are listed on the Toronto Stock Exchange ("TSX") and the Alternative Investment Market ("AIM") of the London Stock Exchange. The Company trades under the symbol "PPN" on both exchanges. On July 22, 2009, the Company listed on the Johannesburg Securities Exchange Limited ("JSE") with the symbol "PLN".

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

For the three months ended August 31, 2009 the Group incurred net income of approximately US$6.620 million and for the six months ended August 31, 2009 the Group incurred a loss of approximately US$6.963 million and as at August 31, 2009 had an accumulated deficit of approximately US$32.599 million. There are approximately US$33.828 million (ZAR263.118 million) in existing development commitments for completion of the Pilanesberg project's Pilanesberg Platinum Mines ("PPM") as at August 31, 2009. The Group is dependent on the successful completion of PPM to generate cash flows in order to fund its operations and pay debt as it becomes due. Such circumstances may lend to substantial doubt as to the ability of the Group to meet its obligations as they become due and accordingly the appropriateness of the use of the accounting principles applicable to a going concern.

The Group raised US$59.355 million in capital by way of a private placement during May and had approximately US$60.871 million in cash and cash equivalents at August 31, 2009 to fund development activities and meet its contractual obligations.

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

2. Statement of compliance

The Group has adopted International Financial Reporting Standards ("IFRS") for the year ending February 28, 2010. These condensed consolidated interim financial statements for the quarter ended August 31,2009 have been prepared in accordance with IAS 34 - Interim Financial Reporting, and are covered by IFRS 1 - First-time adoption of IFRS, because they are part of the period covered by the Group's first IFRS financial statements for the year ended February 28, 2010. These are the Group's first IFRS condensed consolidated interim financial statements.

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS. As a result of ongoing review and possible amendments by interpretive guidance from the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations

2. Statement of compliance (*continued*)

Committee ("IFRIC"), IFRS finally in effect at February 28, 2010 may differ from IFRS and interpretation statements applied in preparing the condensed consolidated interim financial statements.

The Group's consolidated financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP") until 28 February 2009. Canadian GAAP differs in some areas from IFRS. In preparing the Group's condensed consolidated interim financial statements for the first quarter of 2010, management have recorded transition adjustments on applying IFRS as disclosed in note 21.

Reconciliations, descriptions and explanations of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Group are provided in note 21. This note includes reconciliations of equity and profit or loss for comparative periods reported under Canadian GAAP to those reported for those periods under IFRS.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements are disclosed in note 5.

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

The policies set out below have been consistently applied to all the periods presented.

3. Basis of presentation and recent accounting changes

The unaudited condensed consolidated interim financial statements have been prepared by the Group in accordance with IFRS. The preparation of these financial statements is based on accounting policies and practices in accordance with IFRS and should not be compared to those used in the preparation of the audited annual consolidated financial statements, as the annual consolidated financial statements were prepared under accounting policies and practices in accordance with Canadian GAAP. The accompanying unaudited condensed consolidated interim financial statements should not be read in conjunction with the notes to the Group's audited consolidated financial statements for the year ended February 29, 2009, since they do not contain all disclosures required by IFRS for annual financial statements. These unaudited condensed interim consolidated financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the respective interim periods presented.

4. Explanation of transition to IFRS

As stated in note 2, these are the Group's first condensed consolidated interim financial statements for part of the period covered by the first IFRS annual consolidated financial statements prepared in accordance with IFRS.

The accounting policies adopted under IFRS have been applied in preparing the condensed consolidated interim financial statements for the six months ended August 31, 2009, the comparative information for the three months ended August 31, 2008, the financial statements for the year ended February 28, 2009 and the preparation of an opening IFRS balance sheet at March 1, 2008 (the Group's transition date). The Group's IFRS adoption date is March 1, 2009.

In preparing its opening IFRS balance sheet, the Group has applied the mandatory exemptions and certain of the optional exemptions from full retrospective application of IFRS. The Group has adjusted amounts previously

4. Explanation of transition to IFRS (continued)

reported in financial statements and interim reports prepared in accordance with its previous basis of accounting, Canadian GAAP.

A summary of significant changes to the Group's accounting policies following the adoption of IFRS and exemptions elected under IFRS 1 - *First time adoption of IFRS* is contained in note 5.

An explanation of how the transition from Canadian GAAP to IFRS has affected the Group's financial position and performance is set out in the tables in note 21 and the notes accompanying them.

5. Significant changes to the Group's accounting policies following adoption of IFRS 1 – *First time adoption of IFRS*

- **Business combinations**

  The Group has made an election in terms of IFRS 1 to apply the requirements of IFRS 3 Business Combinations to all business combinations with effective dates on or after March 1, 2008. The classification and accounting treatment of business combinations with effective dates prior to March 1, 2008 has not been reconsidered.

- **Basis of consolidation**

  Subsidiaries

  Subsidiaries are all entities controlled by the Group. Control exists when the Group has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible, are taken into account in the assessment of whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

  The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

  Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

  Transactions and non-controlling interest

  The Group applies a policy of treating transactions with non-controlling interest as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group and are recorded in the statement of comprehensive income. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

5. Significant changes to the Group's accounting policies following adoption of IFRS 1 *First time adoption of IFRS* (*continued*)

- **Accounting estimates**

  The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes to the consolidated financial statements. These estimates are based on management's best knowledge of current events and actions that the Group may undertake in the future.

  Significant estimates include those related to the recoverability of the carrying value of mineral exploration properties and deferred exploration expenses, the fair value estimates of options issued, the fair value of asset retirement obligations and contingent liabilities. Actual results may differ from those estimates.

- **Foreign operations**

  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 is the South African Rand ("ZAR"). The consolidated financial statements are presented in US Dollars ("USD") which is the Group's presentation currency.

  Transactions and balances

  Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

  Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented on a net basis in the income statement within Other Income.

  Group companies

  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 balance sheet presented are translated at the closing rate at the date of that balance sheet;
  - income and expenses for each income statement 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); and
  - all resulting exchange differences are recognized as a separate component of equity.

  On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

5. Significant changes to the Group's accounting policies following adoption of IFRS 1 *First time adoption of IFRS* (*continued*)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

IAS 21, *The effects of Changes in Foreign Exchange Rates* differs from the Canadian GAAP equivalent, applied by the Group until February 28, 2009. IAS 21 requires an entity to measure its assets, liabilities, revenue and expenses in its functional currency. It has been determined that as at the transition date of March 1, 2008, the South African Rand ("ZAR") was the functional currency of all entities in the Group.

Under IAS 21, the assets and liabilities of the Group are translated from the Group's functional currency (ZAR), to the presentation currency at the reporting date. The income and expenses are translated to the Group's presentation currency, which is US Dollar ("USD") at the dates of the transactions. Foreign currency differences are recognized directly in other comprehensive income within the foreign currency translation reserve.

In accordance with IFRS 1 optional exemptions, the Group has elected to deem the foreign currency translation reserve to be zero on the date of transition.

- **Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'Other (expense) and income' in the statement of income and comprehensive income.

Upon completion of mine construction, the assets are transferred into property, plant and equipment.

Depreciation and amortization are calculated on a straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The depreciation and amortization rates applicable to each category of property, plant and equipment are as follows:

	Useful life (years)
Vehicles	5
Computer equipment	3
Computer software	2
Office equipment	6
Furniture and fittings	6
Other equipment	5
Leasehold improvements	5
Plant construction	Life of mine / Unit of production
Exploration and evaluation assets (available for use)	Unit of production

5. Significant changes to the Group's accounting policies following adoption of IFRS 1 *First time adoption of IFRS* (*continued*)

Where parts (components) of an item of property, plant and equipment have different useful lives or for which different depreciation rates are appropriate, they are accounted for as separate items of property, plant and equipment. Estimates of residual values and useful lives of all assets are assessed annually.

The Group measures the estimated residual value of an item of property, plant and equipment as the amount the Group estimates it would receive currently from the asset if the asset were already of the age and in the condition expected at the end of its useful live.

The Group has assessed the useful lives and residual values of all individual components of property, plant and equipment and no adjustments were required to the carrying values of items at the date of transition.

The adjustments to the useful lives and residual values of certain items of property, plant and equipment and the corresponding change in their carrying values at March 1, 2008 has also impacted depreciation charges subsequent to March 1, 2008.

- **Deferred stripping costs**

Stripping costs comprise the removal of overburden and other waste products from a mine.

Stripping costs incurred in the development of a mine before production commences are capitalised as part of the cost of constructing the mine and subsequently amortised over the life of the mine on a units of production basis.

Stripping costs incurred during the production stage of a mine are deferred when this is considered the most appropriate basis for matching the costs against the relevant economic benefits. The amount deferred is based on the waste-to-ore ratio ('Stripping ratio') which is calculated by dividing the tonnage of waste mined by the quantity of ore mined. Stripping costs incurred in a period are deferred to the extent that the current period ratio exceeds the expected life-of-mine ratio. Such deferred costs are then charged to the income statement to the extent that, in subsequent periods, the current ratio falls below the life-of-mine ratio. The life-of-mine stripping ratio is calculated based on proven and probable reserves. Any changes to the life-of-mine ratio are accounted for prospectively.

Where a mine operates more than one open pit that are regarded as separate operations for the purpose of mine planning, stripping costs are accounted for separately by reference to the ore from each separate pit. If, however, the pits are highly integrated for the purpose of the mine planning, the second and subsequent pits are regarded as extensions of the first pit in accounting for stripping costs. In such cases, the initial stripping, (i.e., overburden and other waste removal) of the second and subsequent pits is considered to be production phase stripping relating to the combined operation.

Deferred stripping costs are included as part of "Mining properties". These form part of the total investment in the relevant cash generating units, which are reviewed for impairment if events or changes of circumstance indicate that the carrying value may not be recoverable.

5. Significant changes to the Group's accounting policies following adoption of IFRS 1 *First time adoption of IFRS* (*continued*)

- **Impairment of assets**

The carrying amount of the Group's assets (which include Property, plant and equipment, exploration and evaluation assets, mineral rights and properties and intangible assets) is reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

- **Inventory**

Inventories are measured at the lower of cost and net realisable 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.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

- **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. Capitalised 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 in profit and loss immediately.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) fact and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment).

5. Significant changes to the Group's accounting policies following adoption of IFRS 1 *First time adoption of IFRS* (*continued*)

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven reserves are determined to exist, the rights of tenure are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area, or alternatively by sale of the property. Upon determination of proven reserves, intangible exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to a separate category within tangible assets.

Expenditure deemed to be unsuccessful is recognised in profit or loss immediately.

Upon transfer of "Exploration and evaluation costs" into "Mine development", all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised within "Mine development". After production starts, all assets included in "Mine development" are transferred to "Producing Mines".

- **Mining properties**

When further development expenditure is incurred in respect of a mining property after the commencement of production, such expenditure is carried forward as part of the mining property when it is probable that additional future economic benefits associated with the expenditure will flow to the entity. Otherwise such expenditure is classified as a cost of production.

Depreciation is charged using the units-of-production method, with separate calculations being made for each area of interest. The units of production basis results in a depreciation charge proportional to the depletion of proven and probable reserves.

Mining properties are tested for impairment in accordance with the policy for impairment as set out above.

- **Income taxes**

Current taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Taxes on income in interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Deferred taxation

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

5. Significant changes to the Group's accounting policies following adoption of IFRS 1 *First time adoption of IFRS* (*continued*)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

- **Share based payment transactions**

Equity settled

The fair value of share options under the employee share incentive schemes and other equity instruments granted to Group employees is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and expensed over the period during which the employee becomes unconditionally entitled to the equity instruments. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest.

The fair value of the instruments granted is measured using generally accepted valuation techniques, taking into account the terms and conditions upon which the instruments are granted. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The proceeds received, net of any directly attributable transaction costs, are credited to share capital when the options are exercised.

This accounting policy has been applied to all equity instruments granted after November 7, 2002 that has not yet vested at January 1, 2005. The increase in equity arising from vested share options was credited to common shares when options were exercised under the Group's previous accounting policies. Refer to note 21(c) for the adjustment made to equity in order to comply with IFRS.

5. Significant changes to the Group's accounting policies following adoption of IFRS 1 *First time adoption of IFRS* (*continued*)

- **Provisions**

  Provisions for environmental restoration, restructuring costs and legal claims are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

  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.

  An obligation to incur decommissioning and rehabilitation costs occurs when an environmental disturbance is caused by exploration, evaluation, development or ongoing production. Costs are estimated on the basis of a formal closure plan and are subject to regular review.

  Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against profits through depreciation of the asset and unwinding of the discount on the provision. Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the costs of the related asset.

  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.

  Changes in estimated decommissioning and rehabilitation liabilities that occurred before the transition to IFRS have been adjusted for at the transition date on a net basis in accordance with the provisions of IFRIC 1 and the applicable exemptions under IFRS 1.

- **Black economic empowerment transactions**

  The Group is extending the scope of IFRS 2 – Share based payments to include the Group's black economic ownership initiatives in accordance with international interpretations in this regard. Where goods or services are received from black economic partners as consideration for equity instruments of the Group, these transactions are accounted for in terms of IFRS 2, even when the entity cannot specifically identify the goods or services received. This accounting policy is applicable to equity instruments granted after March 1, 2006 that has not yet vested at March 1, 2008.

5. Significant changes to the Group's accounting policies following adoption of IFRS 1 *First time adoption of IFRS* (*continued*)

- **Revenue**

  Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

  The Group recognises 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. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

  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.

- **Finance income**

  Finance income is recognized on the time proportion basis, taking account of the principal debt outstanding and the effective rate over the period to maturity.

- **Borrowing costs**

  Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent that they are directly attributable to the acquisition or construction of assets that necessarily take a substantial period to prepare for their intended use or sale ("qualifying assets").

  Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset in accordance with the transitional provisions of IAS 23 *Borrowing costs (revised)* and IFRS 1 from January 1, 2009.

- **Intangible assets**

  Intangible assets that are acquired by the Group are stated at cost less accumulated amortization and impairment losses.

  Amortization is charged to profit and loss on a straight line basis over the estimated useful lives of the intangible assets. The estimated useful life for the water rights is 16 years.

- **Leased assets**

  Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

  The Group has made in election in terms of IFRS 1 to apply the transitional provisions in IFRIC 4 - *Determining whether an Arrangement contains a Lease*, therefore determining if any arrangement existed at the transition date.

  Other leases are operating leases and the leased assets are not recognized on the Group's balance sheet.

5. Significant changes to the Group's accounting policies following adoption of IFRS 1 *First time adoption of IFRS* (*continued*)

- **Common control transactions – premium and discount arising on subsequent purchase from or sales to non controlling interests in subsidiaries**

  Following the presentation of non-controlling interests in equity any increases and decreases in ownership interests in subsidiaries without a change in control are recognized as equity transactions in the consolidated financial statements. Accordingly, any premium or discount on subsequent purchases of equity instruments from or sales of equity instruments to minority interests are recognized directly in equity of the parent shareholder.

  Previously a premium on subsequent purchases of equity instruments from non-controlling interests were recognized as goodwill and premium or discount on subsequent disposal of equity instruments to non-controlling interests were taken to profit or loss as a capital item in the income statement.

- **Segment information**

  The executive committee reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

  The committee considers the business from a functional perspective, distinguishing from an operating and exploration site.

  The executive committee assesses the performance of the operating sites based on profitability and for exploration sites on viability.

- **Financial assets**

  The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

  The Group's loans and receivables comprise 'Trade and other receivables' and 'Cash and cash equivalents' in the balance sheet.

  Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

  The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a Group of financial assets is impaired.

5. Significant changes to the Group's accounting policies following adoption of IFRS 1 *First time adoption of IFRS* (*continued*)

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the income statement within 'selling and marketing costs'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash and term deposits with an original maturity of three months or less. The Group invests cash in interest-bearing instruments with high credit quality financial institutions.

Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

- **Borrowings**

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

5. Significant changes to the Group's accounting policies following adoption of IFRS 1 *First time adoption of IFRS* (*continued*)

- **New and amended accounting standards**

  As this is the Group's first set of financial statements under IFRS, the Group has applied all new standards and interpretations with reference to IFRS 1 – *First time adopters of IFRS* which were effective for the first time for IFRS reporters for annual periods commencing on or after January 1, 2009.

- **Accounting standards and interpretations issued but not yet effective**

  Standard and interpretations early adopted

  Certain accounting standards and interpretations are in issue which are not required to be adopted for the current reporting period. As at the date of these financial statements the following standards and interpretations were in issue but not yet effective and have been early applied by the Group to this set of financial statements:

Standard / Interpretation	Details of amendment	Effective for annual periods commencing on or after
IFRS 3 (Revised) – *Business combinations*	Amendments to accounting for business combinations	July 1, 2009
IAS 27 – *Consolidated and separate financial statements*,	Consequential amendments from changes to IFRS 3	July 1, 2009
	Measurement of subsidiary held for sale in separate financial statements	July 1, 2009
IAS 28 – *Investment in associates*	Consequential amendments from changes to IFRS 3	July 1, 2009
IAS 31 – *Interest in joint ventures*	Consequential amendments from changes to IFRS 3	July 1, 2009

The early adoption of these standards had the following impact on the Group's financial statements:

The standards previously required that the non-controlling interest be calculated by only attributing the total comprehensive income to the non-controlling interests only if this will not result in the non-controlling interests having a deficit balance. IAS 27 now requires an attributing of the total comprehensive income to the parent and the non-controlling interests even if this results in the non-controlling interest having a deficit balance.

The impact of this early application of IAS 27, resulted in accumulated losses of US$18.342 million (Feb 29, 2008: US$nil; August 31, 2008: US$3.026 million) being attributed to the non-controlling interests.

No other impact was made to the Group's financial statements.

5. Significant changes to the Group's accounting policies following adoption of IFRS 1 *First time adoption of IFRS* (*continued*)

- **Accounting standards and interpretations issued but not yet effective**

Standard and interpretations issued and not yet adopted

Certain accounting standards and interpretations are in issue which are not required to be adopted for the current reporting period. As at the date of these financial statements the following standards and interpretations were in issue but not yet effective:

Standard / Interpretation	Details of amendment	Annual periods commencing on or after
IFRS 2 – *Share based payments*	Clarification of the scope of IFRS 2 and IFRS 3 (Revised)	July 1, 2009
IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*	Plan to sell the controlling interest in a subsidiary	July 1, 2009
	Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations	January 1, 2010
IFRS 8 – *Operating segments*	Disclosures of information about segment assets	January 1, 2010
IAS 1 – *Presentation of financial statements*	Current/non-current classification of convertible instruments	January 1, 2010
IAS 7 – *Statement of cash flows*	Classification of expenditures on unrecognised assets	January 1, 2010
IAS 10 – *Events after the reporting period*	Amendments resulting from the issue of IFRIC 17	July 1, 2009
IAS 17 – *Leases*	Classification of leases of land and buildings	January 1, 2010
IAS 36 – *Impairment of assets*	Unit of accounting for goodwill impairment testing	July 1, 2009
IAS 38 – *Intangible assets*	Consequential amendments from changes to IFRS 3	July 1, 2009
	Measuring the fair value of an intangible asset acquired in a business combination	
IAS 39 – *Financial instruments: Recognition and Measurement*	Clarification of 2 hedge accounting issues:	July 1, 2009
	(1) Inflation in a financial hedge item	
	(2) A one-sided risk in a hedged item	
	Treating loan prepayment penalties as closely related embedded derivatives	January 1, 2010
	Scope exemption for business combination contracts	
	Cash flow hedge accounting	

5. Significant changes to the Group's accounting policies following adoption of IFRS 1 *First time adoption of IFRS* (*continued*)

Standard / Interpretation	Details of amendment	Annual periods commencing on or after
IFRIC 9 (amended) – *Reassessment of embedded derivatives*	Scope of IFRIC 9 and IFRS 3 (Revised)	July 1, 2009
IFRIC 16 (amendment) – *Hedges of a net investment in a foreign operation*	Amendment to the restriction on an entity that can hold hedging instruments	July 1, 2009
IFRIC 17 – *Distributions of non-cash assets to owners*	Distributions of non-cash assets to owners	July 1, 2009
IFRIC 18 – *Transfers of assets from customers*	Transfers of assets from customers	July 1, 2009

Management is in the process of assessing the impact of these standards on the Group's financial statements and accounting policies.

- **Exemptions from full retrospective application:**

A number of optional exemptions from full retrospective application are available to the Group upon adoption of IFRS. The impact of all these optional exemptions on the Group is listed below.

The Group has applied the following exemptions:

Exemption	Application of exemption
Share-based payment transaction exemption	The Group has elected to apply the share-based payment exemption. It applied IFRS 2 from March 1, 2008 to those options that were issued after 7 November 2002 but that have not vested by March 1, 2009.
Business Combinations exemption	The Group has applied the business combinations exemption in IFRS 1. It has not restated business combinations that took place prior to the March 1, 2008 transition date.
Decommissioning liabilities included in the cost of property, plant and equipment exemption	The Group recognizes a provision in respect of environmental liabilities relating to contamination caused to land from the installation of assets and from its production processes. The exemption provided in IFRS 1 from the full retrospective application of IFRIC 1 has been applied to determine the adjustment required to Property, Plant and Equipment in respect of the obligation to decommission existing production facilities. The application of this exemption is detailed in note 21(d).

5. Significant changes to the Group's accounting policies following adoption of IFRS 1 *First time adoption of IFRS* (*continued*)

The Group has not applied the following exemptions:

Exemption	**Reason for not applying the exemption**
Cumulative translation differences exemption	There was no cumulative translation differences previously recorded under Canadian GAAP.
Employee benefits exemption	The Group has no defined benefit plans; this exemption is not applicable.
Fair value as deemed cost exemption	The Group has elected not to measure any items of property, plant and equipment at fair value as at March 1, 2008; this exemption is not applicable.
Assets and liabilities of subsidiaries, associates and joint ventures exemption	This exemption is not applicable, as the use of the exemption is made at the level of the subsidiary, associate or joint venture that adopts IFRS later than its parent company.
Exemption from restatement of comparatives for IAS 32 and IAS 39	The Group has no hedging relationships or derivatives; this exemption is not applicable.
Fair value measurement of financial assets or liabilities at initial recognition	The Group has not applied the exemption offered by the revision of IAS 39 on the initial recognition of the financial instruments measured at fair value through profit and loss where there is no active market. This exemption is therefore not applicable.
Designation of financial assets and financial liabilities exemption	The Group has no securities classified as available-for-sale investments or as financial assets at fair value through profit and loss; this exemption is not applicable.
Compound financial instruments exemption	The Group has not issued any compound instruments; this exemption is not applicable.
Insurance contracts exemption	The Group does not issue insurance contracts; this exemption is not applicable.

5. Significant changes to the Group's accounting policies following adoption of IFRS 1 *First time adoption of IFRS* (*continued*)

The Group has applied the following mandatory exceptions from retrospective application:

Exemption	Description of exception	Applicability to the Group
Derecognition of financial assets and liabilities exception	Financial assets and liabilities derecognized before March 1, 2008 are not re-recognized under IFRS. The application of the exemption from restating comparatives for IAS 32 and IAS 39 means that the Group recognized from March 1, 2009 any financial assets and financial liabilities derecognized since March 1, 2008 that does not meet the IAS 39 derecognition criteria. Management did not choose to apply the IAS 39 derecognition criteria to an earlier date.	The application of this exemption has no impact on the Group.
Hedge accounting exception	The Group has never applied hedge accounting.	This exemption is not applicable.
Estimates exception	Estimates under IFRS at March 1, 2008 should be consistent with estimates made for the same date under previous GAAP, unless there is evidence that those estimates were in error.	No adjustments for estimates have been made.
Assets held for sale and discontinued operations exception	Management applies IFRS 5 prospectively from March 1, 2009. Any assets held for sale or discontinued operations are recognized in accordance with IFRS 5 only from March 1, 2009. The Group did not have any assets that met the held-for-sale criteria during the period presented.	No adjustment was required.

6. Exploration and evaluation assets

	As at August 31, 2009 $ 000	As at August 31, 2008 $ 000	As at February 28, 2009 $ 000	As at March 1, 2008 $ 000
Opening balance	25,078	25,591	25,591	27,132
Additions	1,084	4,491	6,897	-
	26,162	30,082	32,488	27,132
Effect of exchange rate changes	7,133	(903)	(7,410)	(1,541)
Closing balance	33,295	29,179	25,078	25,591

7. Intangible assets

	As at August 31, 2009 $ 000	As at August 31, 2008 $ 000	As at February 28, 2009 $ 000	As at March 1, 2008 $ 000
Opening balance	5,389	-	-	-
Additions	2,494	-	5,389	-
	7,883	-	-	-
Effect of exchange rate changes	1,529	-	-	-
	9,412	-	5,389	-

PPM entered into an agreement with The Board of Magalies Water ("Magalies Water") and other parties to build a water pipeline and related infrastructure from the Vaalkop Water Treatment Works to the mine located at Tuschenkomst. Upon completion, the ownership of the water pipeline and related infrastructure will remain with Magalies Water.

The cost of building the water pipeline and related infrastructure will ensure water supply of 9 Mega litres per day to the mine, for usage in the plant.

8. Property, plant and equipment

	Plant construction and mine development	Land and buildings	Vehicles	Computer equipment	Computer software	Office equipment	Furniture and fittings	Other equipment	Lease-hold improve-ments	TOTAL
COST										
Balance as at March 1, 2008	**22,630**	**-**	**323**	**182**	**85**	**40**	**98**	**18**	**85**	**23,461**
Additions	169,397	721	109	339	344	29	88	20	2	171,049
Disposals	-	-	(44)	(1)	-	(2)	-	-	-	(47)
Foreign exchange movement	(5,648)	-	(81)	(46)	(21)	(10)	(24)	(4)	(22)	(5,856)
Balance as at February 28, 2009	**186,379**	**721**	**307**	**474**	**408**	**57**	**162**	**34**	**65**	**188,607**
Additions	96,756	34	38	53	358	30	18	23	1	97,311
Disposals	-	-	-	-	-	-	-	-	-	-
Foreign exchange movement	52,869	204	103	135	114	15	45	10	19	53,514
Balance as at August 31, 2009	**336,004**	**959**	**448**	**662**	**880**	**102**	**225**	**67**	**85**	**339,432**
ACCUMULATED DEPRECIATION										
Balance as at March 1, 2008	**-**	**-**	**130**	**135**	**63**	**20**	**29**	**15**	**15**	**407**
Depreciation for the period	-	-	19	77	138	5	19	3	15	276
Impairment loss	-	-	-	-	-	-	-	-	-	-
Foreign exchange movement	-	-	(59)	(44)	(34)	(5)	(9)	(3)	(6)	(160)
Balance as at February 28, 2009	**-**	**-**	**90**	**168**	**167**	**20**	**39**	**15**	**24**	**523**
Depreciation for the period	-	-	16	72	51	6	14	4	8	171
Impairment loss	-	-	-	-	-	-	-	-	-	-
Foreign exchange movement	-	-	41	58	50	3	12	3	7	174
Balance as at August 31, 2009	**-**	**-**	**147**	**298**	**268**	**29**	**65**	**22**	**39**	**868**

8. Property, plant and equipment (continued)

	Plant construction and mine development	Land and buildings	Vehicles	Computer equipment	Computer software	Office equipment	Furniture and fittings	Other equipment	Leasehold improvements	TOTAL
CARRYING AMOUNTS										
At March 1, 2008	22,630	-	193	47	22	20	69	3	70	23,054
At February 28, 2009	186,379	721	217	306	241	37	123	19	41	188,084
At August 31, 2009	336,004	959	301	364	612	73	160	45	46	338,564

Included in the plant construction and mine development is a total of US$69.264 million (February 28, 2009: US$14.657 million) relating to stripping costs which are capitalized as part of the mine development at the Pilanesberg Platinum Mine.

9. Leased assets

PPM entered into an arrangement with ESKOM (the state utility supplier) to supply a minimum quantity of electricity needed in its production process for a specified period of time. ESKOM designed and built an electrical installation adjacent to PPM plant to produce the required electricity and maintains ownership and control over all significant aspects of operating the facility.

Each month, PPM will pay a fixed capacity charge and a variable charge based on actual electricity consumed for the sole used of the facility for 16 years.

IFRIC 4 – Arrangements containing a lease, requires an entity to consider whether an arrangement may contain a lease at inception of the arrangement if:

- Fulfilment of the arrangement is dependent on the use of a specific asset(s); and
- The arrangement conveys the right to use the asset(s).

The arrangement with ESKOM therefore constitutes a lease and therefore falls within the scope of IAS 17 Leases. An asset (the electrical installation) is explicitly identified in the arrangement and fulfilment of the arrangement is dependent on the electrical installation.

This arrangement is further classified as a finance lease due to the sub-station being constructed exclusively for the use of the Pilanesberg Mine.

	As at August 31, 2009 $ 000	As at August 31, 2008 $ 000	As at February 28, 2009 $ 000	As at March 1, 2008 $ 000
Opening balance	-	-	-	-
Additions	12,031	-	-	-
Amortization	(175)			
	11,856	-	-	-
Effect of exchange rate changes	258	-	-	-
Closing balance	12,114	-	-	-

10. Cash and cash equivalents

	As at August 31, 2009 $ 000	As at August 31, 2008 $ 000	As at February 28, 2009 $ 000	As at March 1, 2008 $ 000
Cash at bank and on hand	60,871	61,453	88,883	90,457
Restricted cash – cash on collateral	-	-	39,067	-
Total cash and cash equivalents	60,871	61,453	127,950	90,457

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

Cash placed on deposit as collateral against the bridge loan at the Standard Bank of South Africa was used to settle the bridge loan facility on August 31, 2009. Refer to note 16 for more disclosure on the bridge loan facility.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise only the cash at bank and on hand line-item as disclosed for each period end above.

Cash investments

Cash investments were made relating certain guarantees required by the Department of Mineral Resources ("DMR"), formerly known as the Department of Minerals and Energy ("DME"), and ESKOM, of which the details are as follows:

- *Rehabilitation guarantees*

  The South African DMR require rehabilitation guarantees for all prospecting and mining rights. These rehabilitation guarantees primarily relates to the mining rights for the Pilanesberg and Mphahlele Projects. These guarantees have been provided to the DMR on an insurance basis with a portion of the total guarantee being paid over in a separate bank account controlled by the Group and ceded in favour of the Insurance company.

- *ESKOM guarantees*

  On June 17, 2008 a guarantee of US$8.431 million (ZAR84.987 million), underwritten by an insurance backed guarantee issued by Lombard Insurance was provided to ESKOM to order critical long lead time material for the construction of the electrical substation at the Pilanesberg Project. Lombard Insurance required a cash collateral on a portion of the total amount which has been paid over in a separate bank account controlled by the Group and ceded in favour of Lombard Insurance Company.

The cash deposit has been placed on fixed investment accounts at reputable financial institutions within the Republic of South Africa. Interest is earned on a floating interest rate basis. The fair value of the cash investment equates the values as disclosed in these financial statements.

11. Issued capital

a) Common Shares authorized

Unlimited number of common shares with no par value.

b) Common Shares issued

Movement during fiscal 2009	Number of shares	Amount $000
Balance, March 1, 2008	111,537,048	192,116
Common shares issued	258,416,038	174,037
Exercise of options	49,714	-
Fair value of options exercised	-	27
Balance, February 28, 2009	370,002,800	366,180

Movement during fiscal 2010		
Balance, March 1, 2009	370,002,800	366,180
Common shares issued	75,015,552	59,355
Balance, August 31, 2009	445,018,352	425,535

c) Share options

The Board of Directors adopted a resolution dated May 3, 2005, which established a share option plan (the "2005 Stock Option Plan"), pursuant to which options may be granted to directors, officers, employees and persons providing ongoing and contract services to the Group. 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 Group, the aggregate number of common shares that may be issuable pursuant to options granted under the Plan is fixed at a maximum of 9% of the outstanding common shares of the Group from time to time 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. This 2005 Stock Option Plan was re-approved in accordance with its terms at the Annual General Meeting held on June 26, 2008.

The Board of Directors adopted a resolution dated June 24, 2007, which established a stock option plan (the "2007 Stock Option Plan"), pursuant to which options may be granted to directors, officers, employees and persons providing ongoing and contract services to the Group. 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 Group through the purchase of shares under the Plan. The maximum number of common shares reserved for issuance under the 2007 Stock Option Plan is 2,500,000 common shares. No stock options have been granted under the 2007 Stock Option Plan.

11. Issued capital (*continued*)

c) Share options (*continued*)

The changes in stock options during the six months ended August 31, 2009 and year ended February 28, 2009 were as follows:

	Number of options	Weighted average exercise price $
Movement during fiscal 2009		
Options outstanding, March 1, 2008	4,461,900	5.29
Options granted	847,000	5.77
Options exercised	(60,000)	(0.54)
Options cancelled	(617,167)	(8.64)
Options outstanding, February 28, 2009	4,631,733	4.98
Options exercisable, February 28, 2009	**2,745,466**	**3.50**
Movement during fiscal 2010		
Options outstanding, March 1, 2009	4,631,733	4.98
Options granted	-	-
Options exercised	-	-
Options cancelled	-	-
Options outstanding, August 31, 2009	4,631,733	4.98
Options exercisable, August 31, 2009	**3,198,632**	**3.91**

As at August 31, 2009 the following options were exercisable and outstanding:

	Exercisable		Outstanding	
Expiry date	Exercise price $	Number of options	Exercise price $	Number of options
November 3, 2010	1.20	250,000	1.20	250,000
December 6, 2010	1.20	1,460,000	1.20	1,460,000
September 18, 2011	3.86	75,000	3.86	75,000
June 1, 2012	5.74	570,000	5.74	570,000
August 28, 2012	7.04	170,000	7.04	150,000
November 7, 2012	10.11	56,800	10.11	170,400
January 14, 2013	8.91	350,333	8.91	976,000
January 21, 2013	8.30	133,333	8.30	133,333
April 25, 2013	7.04	-	7.04	210,000
June 23, 2013	7.08	66,500	7.08	200,000
June 30, 2013	6.46	66,666	6.46	200,000
September 23, 2013	2.93	-	2.93	144,000
September 30, 2013	2.97	-	2.97	93,000
Weighted average	**3.91**	**3,198,632**	**4.98**	**4,631,733**

12. Non-controlling interest

The non-controlling interests are comprised of the following:

	$ 000
Balance as at March 1, 2008	**82**
Non-controlling interest's share of losses in Boynton	(2,925)
Non-controlling interest's share of losses in Mahube	(157)
Non-controlling interest's share of losses in Taung Platinum	(23)
Non-controlling interest's share of losses in Sengani	(3)
Balance as at August 31, 2008	**(3,026)**
Balance as at March 1, 2008	**82**
Non-controlling interest's share of losses in Boynton	(16,318)
Non-controlling interest's share of losses in Mahube	(332)
Non-controlling interest's share of losses in Taung Platinum	(44)
Non-controlling interest's share of losses in Sengani	(6)
Balance as at February 28, 2009	**(16,618)**
Non-controlling interest's share of losses in Boynton	(1,505)
Non-controlling interest's share of losses in Mahube	(195)
Non-controlling interest's share of losses in Taung Platinum	(21)
Non-controlling interest's share of losses in Sengani	(3)
Balance as at August 31, 2009	**(18,342)**

13. Long-term borrowings

	As at August 31, 2009 $ 000	**As at August 31, 2008 $ 000**	**As at February 28, 2009 $ 000**	**As at March 1, 2008 $ 000**
Opening balance	2,121	1,388	1,388	1,388
Interest and capital	805	521	1,079	-
Effect of exchange rate changes	566	(56)	(346)	-
Balance at the end of the period	**3,492**	**1,853**	**2,121**	**1,388**

The long-term loan from Corridor Mining Resources (a subsidiary of Limpopo Economic Development Enterprise) bears interest at South African prime rate 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 Mphahlele project in Tameng, a subsidiary of Mahube. The increase in the loan amount payable is due to the increase in exploration activities and costs incurred in the preparation of a bankable feasibility study for this project.

The long-term loan from Ranger Minerals bears interest at South African prime overdraft rate plus 2% until otherwise agreed by the shareholders, and has no fixed terms of repayment. The loan is used by Defacto Investments (a joint venture, between Boynton and Ranger Minerals) to fund exploration activities.

14. Finance lease

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

IFRIC 4 – Arrangements containing a lease, requires an entity to consider whether an arrangement may contain a lease at inception of the arrangement if:

- Fulfilment of the arrangement is dependent on the use of a specific asset(s); and
- The arrangement conveys the right to use the asset(s).

The arrangement with ESKOM, entered into during the quarter under review, therefore constitutes a lease and therefore falls within the scope of IAS 17 Leases. An asset (the electrical installation) is explicitly identified in the arrangement and fulfilment of the arrangement is dependent on the electrical installation.

This arrangement is further classified as a finance lease due to the sub-station being constructed exclusively for the use of the Pilanesberg Project.

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

	Up to 1 year $ 000	1 to 5 years $ 000	More than 5 years $ 000	Total $ 000
Minimum lease payments	583	6,994	19,631	27,208
Finance cost	(498)	(5,645)	(9,056)	(15,199)
Present value	**85**	**1,349**	**10,575**	**12,009**

15. Decommissioning and rehabilitation provision

	As at August 31, 2009 $ 000	As at August 31, 2008 $ 000	As at February 28, 2009 $ 000	As at March 1, 2008 $ 000
Balance at the beginning of the period	12,791	1,461	1,461	1,461
Increase in liability for the period	10,885	1,346	11,629	-
Unwinding of interest (Accretion)	212	25	65	-
	23,888	2,832	13,155	1,461
Effect of exchange rate changes	3,735	(54)	(364)	-
Balance at the end of the period	**27,623**	**2,778**	**12,791**	**1,461**

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

Although the ultimate amount of the asset retirement obligation is uncertain, the fair value of the obligation is based on information that is currently available. The estimated discounted liability for the asset retirement obligation at August 31, 2009 is US$27.623 million (February 28, 2009 is US$12.791 million). This estimate includes costs for the removal of all current mine infrastructure and the rehabilitation of all disturbed areas to a condition as described in the mine's Environmental Management Programme. The asset retirement obligation has been determined using a risk free rate of 8.6% and an inflation rate of 6% over a period of 13 years.

16. Current portion of long-term borrowings

	As at August 31, 2009 $ 000	As at August 31, 2008 $ 000	As at February 28, 2009 $ 000	As at March 1, 2008 $ 000
Balance at the beginning of the period	38,752	-	-	-
Bridge loan facility	-	45,518	45,518	-
Interest on bridge loan facility	2,053	1,259	4,243	-
Settlement of bridge loan facility	(51,987)	-	-	
	(11,182)	46,777	49,761	-
Effect of exchange rate changes	11,182	(393)	(11,009)	-
Balance at the end of the period	**-**	**46,384**	**38,752**	**-**

On May 14, 2008, the Company signed a US$35 million (ZAR350 million) bridge financing facility with Standard Bank of South Africa Limited. The term of the bridge loan facility was initially for the period of four months to August 2008 and was subsequently extended to August 31, 2009. At the outset, the facility incurred interest at the Johannesburg Interbank Lending Rate ("JIBAR") plus 3.0%. From March 1, 2009 to August 31, 2009, Platmin provided cash collateral to Standard Bank of ZAR387.8 million (US$49.870 million) as security against the loan. This resulted in a reduction in the interest rate to JIBAR plus 0.5%, The Company earned interest at JIBAR plus 0.1% on cash collateral, bringing the net finance cost on the loan to 0.4%.

The bridge loan facility has been used to fund the development and construction of the Pilanesberg Mine.

The bridge loan facility was repaid in full on August 31, 2009.

In connection with this facility, the Company issued 300,000 warrants exercisable at $6.95 per common share from September 15, 2008 until expiry of the warrants on May 14, 2011.

The Company has classified this facility as held to maturity and the fair value of the warrants of US$846,238 has been treated as a cost of the loan transaction and has been amortized to net income using the effective interest method over the facility term.

17. Loss before taxation

Included in the general expenses are the following:

	Three months ended		Six months ended	
	August 31, 2009 $ 000	August 31, 2008 $ 000	August 31, 2009 $ 000	August 31, 2008 $ 000
Profit on disposal of fixed assets	-	(2)	-	(2)
Share based payments expense	622	690	1,365	1,526
Warrants expense	-	744	-	744
Employee expenses	1,971	1,120	3,201	1,948
Audit fees	(58)	28	342	37
Consulting and professional fees	143	998	330	1,563
General and administration expenses	1,917	190	2,627	651
	4,595	**3,768**	**7,865**	**6,466**

17. Loss before taxation (*continued*)

Included in other income are the following:

	Three months ended		Six months ended	
	August 31, 2009 $ 000	August 31, 2008 $ 000	August 31, 2009 $ 000	August 31, 2008 $ 000
Depreciation	89	65	170	95
Other	-	-	-	-
Foreign exchange gain	(11,169)	(1,120)	(951)	(2,535)
	(11,080)	**(1,055)**	**(781)**	**(2,440)**

18. Earnings / (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 year.

	Three months ended		Six months ended	
	August 31, 2009 $ 000	August 31, 2008 $ 000	August 31, 2009 $ 000	August 31, 2008 $ 000
Profit / (loss) attributable to shareholders ($'000)	6,620	(3,387)	(6,963)	(4,025)
Weighted average number of common shares outstanding ('000)	420,013	111,587	420,013	111,578
Basic and diluted profit / (loss) per common share in US$ per share	0.02	(0.03)	(0.02)	(0.04)

Due to the Group reporting a loss for the period ending August 31, 2009 and all potential common shares are anti-dilutive, the diluted loss per share is equal to the basic loss per share.

Due to the Company's share price being below all the exercise prices for the options (refer to note 11) for the period ending August 31, 2008 and February 28, 2009; the diluted loss per share is equal to the basic loss per share.

19. Contingencies and commitments

The Group has committed to capital expenditures on projects of approximately US$33.828 million (ZAR263.118 million) as at August 31, 2009.

20. Segmented information

Operating segments

The Group comprises the following main operating segments:

- Mining operation: The Pilanesberg Mine is currently in an advanced development and ramp-up stage. This mine is involved in the mining and processing of platinum group elements.
- Exploration operations: The Group is engaged in a number of other exploration projects within the Republic of South Africa.
- Administrative operations: The Group administration is done at the local head office in Centurion, the Republic of South Africa.

20. Segmented information (*continued*)

Geographic segments

The Group operates in one geographic segment, the Republic of South Africa.

Reporting on profit or loss, assets and liabilities

	Mining		Exploration		Administration		Consolidated	
February ('000)	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Reportable items in the Statement of Comprehensive Income								
External revenues	-	-	-	-	-	-	-	-
Intersegment revenue	-	-	-	-	-	-	-	-
Finance income	887	156	-	-	2,872	2,987	3,759	3,143
Finance (expenses)	(4,895)	-	(271)	(143)	(1,449)	14	(6,615)	(129)
Depreciation and amortisation	(80)	-	(3)	(3)	(193)	(52)	(276)	(55)
Reportable segment profit/(loss)	(6,459)	44	(306)	41	(3,066)	(11,737)	(9,831)	(11,652)
Reportable items in the Statement of Financial Position								
Reportable segment assets	221,459	42,413	11,241	8,030	136,801	116,575	369,501	167,018
Additions to reportable segment non-current assets	170,118	23,472	6,930	5,629	931	220	177,979	29,321
Reportable segment liabilities	71,554	3,315	2,208	1,893	3,476	803	77,238	6,011

	Mining		Exploration		Administration		Consolidated	
August ('000)	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Reportable items in the Statement of Comprehensive Income								
External revenues	-	-	-	-	-	-	-	-
Intersegment revenue	-	-	-	-	-	-	-	-
Finance income	2,140	887	-	-	1,342	2,871	3,482	3,759
Finance (expenses)	(3,145)	(4,895)	(178)	(271)	(35)	(1,450)	(3,357)	(6,615)
Depreciation and amortisation	(82)	(80)	(1)	(3)	(87)	(194)	(170)	(276)
Reportable segment profit/(loss)	(2,772)	6,459	(179)	306	(4,012)	3,067	(6,963)	9,832
Reportable items in the Statement of Financial Position								
Reportable segment assets	452,511	221,459	21,454	11,241	17,504	136,759	491,469	369,459
Additions to reportable segment non-current assets	133,734	79,123	1,084	4,491	555	1,558	135,373	85,172
Reportable segment liabilities	54,951	71,554	3,645	2,208	1,076	3,467	59,672	77,229

21. IFRS 1 reconciliation

Reconciliation of assets, liabilities and equity

		As at March 1, 2008			As at August 31, 2008			As at February 28, 2009		
	Note	Canadian GAAP	Effect of transition	IFRS	Canadian GAAP	Effect of transition	IFRS	Canadian GAAP	Effect of transition	IFRS
ASSETS										
Non-current assets										
Property, plant and equipment	*21(b)*	24,425	(1,371)	23,054	104,562	(1,920)	102,642	214,705	(26,621)	188,084
Mineral rights	*21(b)*	3,132	(324)	2,808	3,132	(417)	2,715	3,132	(1,024)	2,108
Intangible assets	*21(b)*	-	-	-	-	-	-	6,162	(773)	5,389
Exploration and evaluation assets	*21(b)*	27,132	(1,541)	25,591	31,556	(2,377)	29,179	34,062	(8,984)	25,078
Mineral properties	*21(b)*	4,619	(739)	3,880	4,619	(871)	3,748	4,619	(1,708)	2,911
Loans due from related parties		14,680	-	14,680	14,899	-	14,899	35	-	35
Rehabilitation investments	*(i)*	544	(544)	-	560	(560)	-	879	(879)	-
Cash investments	*(i)*	-	2,683	2,683	-	1,300	1,300	-	2,497	2,497
Total non-current assets		74,532	(1,836)	72,696	159,328	(4,845)	154,483	263,594	(37,492)	226,102
Current assets										
Inventories	*21(b)*	-	-	-	-	-	-	7,962	(1,019)	6,943
Trade and other receivables		3,897	-	3,897	9,102	-	9,102	8,506	-	8,506
Restricted cash	*(i)*	4,408	(4,408)	-	-	-	-	40,685	(40,685)	-
Cash and cash equivalents	*(i)*	88,188	2,269	90,457	62,193	(740)	61,453	88,883	39,067	127,950
Total current assets		96,493	(2,139)	94,354	71,295	(740)	70,555	146,036	(2,637)	143,399
TOTAL ASSETS		**171,025**	**(3,975)**	**167,050**	**230,623**	**(5,585))**	**225,038**	**409,630**	**(40,129)**	**369,501**

(i) Certain reclassifications have been made on the cash and cash equivalents on the statement of financial position. Previously cash was classified as cash and cash equivalents, restricted cash and rehabilitation investments. The Group has now classified these as either cash and cash equivalents or cash investments. The net effect of these reclassifications is US$(nil).

21. IFRS 1 reconciliation (*continued*)

Reconciliation of assets, liabilities and equity (*continued*)

		As at March 1, 2008			As at August 31, 2008			As at February 28, 2009		
	Note	Canadian GAAP	Effect of transition	IFRS	Canadian GAAP	Effect of transition	IFRS	Canadian GAAP	Effect of transition	IFRS
SHAREHOLDER'S EQUITY										
Share capital	*(i)*	192,116	-	192,116	192,143	-	192,143	366,180	-	366,180
Share-based payment reserve	*(i)*	3,068	-	3,068	5,412	(102)	5,310	8,175	(102)	8,073
Foreign currency translation reserve	*(i)*	-	-	-	-	(5,927)	(5,927)	-	(38,012)	(38,012)
Accumulated loss	*(i)*	(30,169)	(4,060)	(34,229)	(38,512)	3,368	(35,144)	(41,187)	13,827	(27,360)
Non-controlling interest	*(i)*	-	82	82	-	(3,026)	(3,026)	-	(16,618)	(16,618)
Total equity	*(i)*	165,015	(3,978)	161,037	159,043	(5,687)	153,356	333,168	(40,905)	292,263
LIABILITIES										
Non-current liabilities										
Borrowings		1,388	-	1,388	1,853	-	1,853	2,121	-	2,121
Provision for closure cost	*21(d)*	1,461	-	1,461	2,778	-	2,778	12,015	776	12,791
Total non-current liabilities		2,849	-	2,849	4,631	-	4,631	14,136	776	14,912
Current liabilities										
Trade and other payables		3,161	3	3,164	20,667	-	20,667	23,574	-	23,574
Borrowings	*21(b)*	-	-	-	46,282	102	46,384	38,752	-	38,752
Total current liabilities		3,161	3	3,164	66,949	102	67,051	62,326	-	62,326
TOTAL EQUITY AND LIABILITIES		**171,025**	**(3,975)**	**167,050**	**230,623**	**(5,585)**	**225,038**	**409,630**	**(40,129)**	**369,501**

(i) Kindly refer to the Reconciliation of Equity presented on page 39.

21. IFRS 1 reconciliation (*continued*)

Reconciliation of loss and comprehensive loss

	Note	Canadian GAAP	Effect of transition	IFRS	Canadian GAAP	Effect of transition	IFRS
		3 months ended August 31, 2008			12 months ended February 28, 2009		
Revenue		-	-	-	-	-	-
Cost of Operations		-	-	-	-	-	-
Mine operating earnings		-	-	-	-	-	-
Expenses		3,765	3	3,768	21,030	924	21,954
Operating profit		(3,765)	(3)	(3,768)	(21,030)	(924)	(21,954)
Other income / (expense)		(440)	1,495	1,055	12,937	2,042	14,979
Finance costs		(578)	(96)	(674)	(2,925)	69	(2,856)
Loss before taxation		(4,783)	1,396	(3,387)	(11,018)	1,187	(9,831)
Income tax expense		-	-	-	-	-	-
LOSS FOR THE YEAR		(4,783)	1,396	(3,387)	(11,018)	1,187	(9,831)
Other comprehensive income:							
Exchange differences on translating foreign operations	*21(b)*	-	2,982	2,982	-	38,012	38,012
Income tax relating to components of other comprehensive income		-	-	-	-	-	-
Other comprehensive income for the year, net of tax		-	2,982	2,982	-	38,012	38,012
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		(4,783)	4,378	(405)	(11,018)	39,199	28,181
Profit / (loss) attributable to:							
Owners of the parent				(1,529)			6,869
Non-controlling interest				(1,858)			(16,700)
				(3,387)			(9,831)
Total comprehensive income attributable to:							
Owners of the parent				1,453			44,881
Non-controlling interest				(1,858)			(16,700)
				(405)			28,181
Earnings per share (in currency units):							
Basic and diluted				**0.03**			**0.04**

21. IFRS 1 reconciliation (*continued*)

The following reconciliation provides a quantification of the effect, after taxation, of the transition to IFRS:

Reconciliation of equity	Notes	As at transition date Mar 1, 2008 $'000	For the six months ended August 31, 2008 $'000	For the year ended Feb 28, 2009 $'000
Equity previously reported under Canadian GAAP		165,015	159,043	333,168
Items separately disclosed in the shareholders' equity	*21(a)*			
- Non-controlling interest, previously disclosed within accumulated deficit	*21(a)*	82	(3,026)	(16,618)
- Foreign currency translation reserve deemed zero on translation date and subsequent transfers	*21(b)*	-	(5,927)	(38,012)
- Adjustment to accumulated deficit: Foreign currency translation differences arising from the translation of transactions recorded in a different currency than the functional currency.	*21(b)*		3,783	(2,791)
- Differences in translation rules and the impact thereof on the share-based payment reserve for warrants	*21(b)*	-	(102)	(102)
- Adjustment to accumulated deficit due to separate disclosure of above items (total of the above)	*21(a)*	(82)	5,170	57,523
Subtotal after above		165,015	158,941	333,168
Adjustment upon adoption of IFRS				
- Differences arising from applying the closing rate for all reporting periods to non-monetary assets	*21(b)*	(3,975)	(5,585)	(40,129)
- Differences arising from applying the closing rate for all reporting periods to non-monetary liabilities	*21(d)*	(3)	-	(294)
- Difference due to a different discount rate being applied to the decommissioning and rehabilitation provision	*21(d)*	-	-	(482)
Equity reported under IFRS		161,037	153,356	292,263

21. IFRS 1 reconciliation (*continued*)

The following reconciliation provides a quantification of the effect, after taxation, of the transition to IFRS:

Reconciliation of income and comprehensive income for the period	Six months ended Aug 31, 2008 $'000	Year ended Feb 28, 2009 $'000
Loss for the period attributable to equity holders of parent previously reported under Canadian GAAP	8,343	11,018
Retrospective application of previous Canadian GAAP accounting policy changes and restatements		
- Profit on dilution of shares included in loss, now accounted for in equity	-	4,549
Adjustment upon adoption of IFRS		
- Differences due to translation from re-assessment of functional currency	(4,318)	(5,736)
Loss for the period attributable to equity holders of parent reported under IFRS	4,025	9,831

Restatement of statement of cash flows from Canadian GAAP to IFRS

The restatement from Canadian GAAP to IFRS had no significant effect on the reported cash flows generated by the Group. The reconciling items between Canadian GAAP and IFRS presentation have no net effect on the cash flows generated.

Notes to reconciliation

IFRS 1 – *First-time Adoption of International Financial Reporting Standards ("IFRS")* sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional statement of financial position date with all adjustment to assets and liabilities taken to retained earning unless certain exemptions are applied. The Group has applied the following exemptions to its opening statement of financial positions dated March 1, 2008:

a) *Basis of Consolidation and Business Combinations*

The Group has adopted IAS27 (Revised) – *Consolidated and Separate Financial Statements* in accordance with the transitional provisions of IFRS 1.

As a result, for the financial year ended February 28, 2009, shareholders equity will remain unchanged. However; for the financial year ending February 28, 2009 US$16.618 million of losses (February 28, 2008: US$0.082 million of profits; August 31, 2008: US$3.026 million of losses) will be re-allocated from accumulated deficit to non-controlling shareholder's interest in order to comply with the disclosure requirements in IAS 27 (Revised).

21. IFRS 1 reconciliation (*continued*)

b) *Functional currency and foreign operations*

IFRS requires that the functional currency of each entity in the consolidated Group be determined separately in accordance with the indicators as per IAS 21 – *Foreign exchange* and should be measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The group's functional currency is the South African rand ("ZAR"). The consolidated financial statements are presented in United States dollars ("USD") which is the group's presentation currency.

Under IFRS, 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 balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement 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); and
- all resulting exchange differences are recognized as a separate component of equity.

As a result of the application of the translation rules contained in IAS 21, for the year ending February 28, 2009, non-monetary assets, which includes property, plant and equipment, mineral rights, intangible assets, exploration and evaluation assets, mineral properties as well as inventory, will decrease by US$40.129 million (February 28, 2008: US$3.975 million; August 31, 2008: US$5.483 million) with a corresponding adjustment to the foreign currency translation reserve.

c) *Share-based payment transactions*

The fair value of share options under the employee share incentive schemes and other equity instruments granted to Group employees is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and expensed over the period during which the employee becomes unconditionally entitled to the equity instruments. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest.

The fair value of the instruments granted is measured using the Black-Scholes option pricing formula, taking into account the terms and conditions upon which the instruments are granted. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

This accounting policy has been applied to all equity instruments granted after November 7, 2002 that has not yet vested at January 1, 2005.

As under IFRS 2, Canadian GAAP also requires the Company to measure stock-based compensation related to stock-options granted to employees at the fair value of the options on the date of grant and to recognize such expense over the vesting period of the option.

21. IFRS 1 reconciliation (*continued*)

Notes to reconciliation (continued)

d) Decommissioning and rehabilitation provision

Under Canadian GAAP, asset retirement obligations are measured at fair value, incorporating market assumptions and discount rates based on the entity's credit-adjusted risk-free rate. Adjustments are made to asset retirement obligations for changes in the timing or amount of the cash flows and the unwinding of the discount. However, changes in discount rates alone do not result in a re-measurement of the provision. Changes in estimates that decrease the liability are discounted using the discount rate applied upon initial recognition of the liability while changes that increase the liability are discounted using the current discount rate.

IFRS requires decommissioning provisions to be measured based on management's best estimate of the expenditures that will be made and adjustments to the provision are made in each period for changes in the timing or amount of cash flow, changes in the discount rate, and the accretion of the liability to fair value (unwinding of the discount). Furthermore, the estimated future cash flows should be discounted using the current rates.

As a result, for the year ended February 28, 2009, the decommissioning provision will increase by US$775,485 (US$293,686 in translating the provision at the reporting period closing spot rate and US$481,799 due to the revision of the discount rate) with an increase of US$894,170 to the decommissioning asset (US$418,277 in translating the asset at the reporting period closing spot rate and US$475,893 due to the revision of the discount rate). The remaining US$118,685 represents the accretion of the liability which decreases retained earnings (US$124,591 in translating the asset at the reporting period closing spot rate and US$(5,905) due to the revision of the discount rate).