

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(For the three and nine month periods ended November 30, 2006)

January 12, 2007

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Interim Management's Discussion and Analysis of Financial Condition and Results of Operations ("Interim MD&A") for the three and nine month periods ended November 30, 2006 contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial and operating performance of the Company, its subsidiaries and affiliated companies, and its mineral projects, the future price of platinum or other PGMs, the estimation of mineral resources, the realization of mineral resource estimates, costs of production, capital and exploration expenditures, costs and timing of the development of new deposits, costs and timing of the development of new mines, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations and exploration operations, timing and receipt of approvals, licenses, and conversions under South African mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Platmin and/or its subsidiaries and/or its affiliated companies to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations and studies; fluctuations in the value of the United States dollar relative to the Canadian dollar or South African rand; changes in project parameters as plans continue to be refined; future prices of platinum or other PGMs; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability, insurrection or war; the effect of HIV/AIDS on labour force availability and turnover; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors communicated in the section entitled "Risk Factors" of Platmin's previously filed prospectus which can be viewed at www.sedar.com. Although Platmin has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Interim MD&A and Platmin disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. The South African government has introduced the Mineral and Petroleum Royalty Bill (the "Royalty Bill"), which proposes a royalty payable to the South African government for PGMs at the rate of three to six percent of gross sales. The proposed legislation has not yet been passed but is scheduled to become effective in 2009. The provisions of any legislation resulting from the Royalty Bill and the effect of such legislation remain uncertain.

1. Introduction

Information in this Interim MD&A is intended to supplement and compliment the unaudited interim consolidated financial statements of Platmin for the three and nine month periods ended November 30, 2006 and the notes thereto (collectively, the "Financial Statements").

Further this Interim MD&A should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended February 28, 2006. Platmin's consolidated financial statements are prepared in accordance with Canadian GAAP. Readers are urged to review the historical consolidated financial statements of Platmin and the notes thereto as published in the Company's prospectus issued prior to its listing on August, 10 2007. References to quarters are to financial quarters and not calendar quarters unless otherwise stated.

2. Overview

Platmin is a mineral exploration company engaged in the exploration for, and development of, PGM deposits in South Africa. Platmin is exploring for PGMs on its four Key Projects: Pilanesberg, M Phatlele, Grootboom, and

Loskop. Platmin's goal is to become a significant producer of PGMs through the development and operating of several mines on its Key Projects. Management's development plan envisages completion of a bankable feasibility study on the Pilanesberg Project by April 2007, delivery of the full feasibility and financing by the third quarter of calendar 2007, while progressing exploration, resource delineation and feasibility work on the other Key Projects.

3. Overall Performance

The Company recorded a net loss for the quarter ended November 30, 2006 of US\$2.29million or US\$0.02 per share, compared with a net loss of US\$0.71 million for the quarter ended November 30, 2005 or US\$0.02 per share. For the nine month period the Company recorded a net loss for the period ended November 30, 2006 of US\$5.15million or US\$0.07 per share, compared with a net loss of US\$2.45 million for the nine months ended November 30, 2005 or US\$0.06 per share. The increased loss was principally the result of an increase in management fees, professional fees and corporate expenditure as a result of the activities required for the post exploration phase of the Pilanesberg project and the listing of the company on the Toronto Stock Exchange (TSX) and on AIM markets during the quarter ended November 30, 2006 as compared with the corresponding prior year period. The increased loss for the nine month period included the same additional expenses with the listing expenditure accounting for a greater portion of the expenses during the first six month period compared to the corresponding prior year period. The Company recorded no operational revenue in either quarter but did record interest income on short term investments of US\$0.44 million in the quarter ended November 30, 2006 compared to US\$0.05 million in the quarter ending November 30, 2005. Interest income on short term investments of US\$0.67 million was recorded in the nine months ended November 30, 2006 compared to US\$0.16 million in the nine month period ending November 30, 2005

The Company follows the practice of capitalizing all costs related to the acquisition, exploration and development of mineral exploration properties until such time as the mineral properties are brought to commercial production, sold, or become impaired. If commercial production commences, these capitalized costs will be amortized prospectively on a unit-of-production basis. In the nine months ended November 30, 2006 the Company's deferred exploration expense increased to US\$19.33 million from US\$13.79 million in the financial year ended February 28, 2006, of which US\$1.88 million was spent in the most recent quarter. The spending during the last quarter was reduced by an amount of US\$0.54 million that was received from the processing of PGM ore mined from the trial mining pit at the Pilanesberg project.

In October 2005, the Company raised US\$5.25 million through a private placement of 416,650 Common Shares at a price of US\$12.60 per share and during the financial year ended February 28, 2006 also received cash proceeds from the exercise of warrants and options of US\$4.01 million. Furthermore, in January 2006, the Company announced a rights issue of one share for each nine shares held at US\$20.00 per share. By February 27, 2006 the Company received US\$11.17 million for participation in the first round. During the first nine months of the current year the Company's cash and cash equivalents increased from US\$19.94 million at February 28, 2006 to US\$49.99 million at November 30, 2006 mainly as a result of the proceeds from an Initial Public Offering on 10 August 2006 but also from the second and third rounds of the rights issue that were completed during the first quarter. On the day of the initial public offering the company converted preference shares into common shares and completed a ten for one split of all common shares.

The Company is conducting exploration which includes drilling and a bulk sample programs. It has no operating business segment and no revenue generating activities. Expenditures on exploration on mineral properties constitute the Company only operations and all exploration expenses are deferred on the balance sheet as long as the respective interest in the property is maintained and not impaired. Corporate and administration expenses, as well as any general exploration expenditures, are charged to the income statement when incurred.

4. Selected Quarterly Information

	Quarter Ended						
	November 30, 2006	August 31, 2006	May 31, 2006	February 28, 2006	November 30, 2005	August 31, 2005	May 31, 2005
Revenue	-	-	-	-	-	-	-
Loss for the period (US\$ 000).....	2,289	952	1,911	1,507	714	720	1,016
Net loss per common share (US\$)	0.02	0.01	0.03	0.03	0.02	0.02	0.03

The Company does not generate revenue and expenditure is related to the administration expenditure required to manage the exploration activities of the company. During the first six months of the current year there was additional expenditure specific to the company's listing.

5. **Results of Operations**

Quarter ended November 30, 2006 compared to the quarter ended November 30, 2005

There was no revenue in either quarter as the Company has no ongoing revenue generating operations or mineral production. The company did, however, receive income of US\$0.54 million as a result of the trial mining process that was conducted at the Pilanesberg project. This was applied to reduce the value of the deferred exploration expenditure on the project. Interest income of US\$0.44 million was recorded in the quarter ended November 30, 2006 compared to US\$0.05 million in the quarter ended November 30, 2005.

Administrative expenses totaled US\$2.61 million for the quarter ended November 30, 2006 compared to the corresponding prior year quarter amount of US\$0.71 million. The largest expense increase was a result of an increase in Management fees due to the employment of additional management expertise required for the transformation of the Company from an exploration to a development phase entity, office expenditure and professional fees and a foreign exchange loss of US\$0.52 million in the third quarter compared with a loss of US\$0.01 million in the corresponding quarter of the previous period. The increase in professional fees included costs related to the dual listing on the TSX and on AIM.

The loss for the quarter ended November 30, 2006 was US\$2.29 million compared with US\$0.77 million in the quarter ended November 30, 2005 principally as a result of the items discussed above.

A total of US\$1.34 million of deferred exploration expenditures was capitalized in the quarter ended August 31 2006 compared with US\$1.50 million in the prior year corresponding quarter.

Nine months ended November 30, 2006 compared to the nine months ended November 30, 2005

There was no revenue in either period as the Company did not have any revenue generating operations or mineral production. Interest income of US\$0.67 million was earned in the nine months ended November 30, 2006 compared to US\$0.16 million in the corresponding prior year period.

Administrative expenses totaled US\$5.64 million in the nine months ended November 30, 2006 compared with US\$2.40 million incurred in the corresponding prior year period. The increase was largely a result of higher management and consulting fees and professional fees paid, with a reduction in the exchange loss.

The loss for the nine months ended November 30, 2006 was US\$5.15 million compared with US\$2.45 million in the period ended November 30, 2005.

Deferred exploration expenditures of US\$5.55 million was recorded in the nine months ended November 30, 2006 as compared with US\$4.24 million in the prior year period principally as a result of expenditure related to feasibility work carried out on the Pilanesberg project.

6. **Results of Operations by Project**

During the third quarter of fiscal 2007, of the total exploration expenditures by the Company of US\$1.88 million, 44% was spent on the Pilanesberg Project, 39% on the M'Phatlele project and 16% on the Grootboom Project. A summary of the expenditures by project along with proposed programs is set forth below:

7. **Pilanesberg Project**

Exploration activity and drilling at the Pilanesberg Project has increased annually since 2002 resulting in a continuous upgrading of the mineral resource identified on the project. Expenditure of US\$0.83 million in the third quarter was relatively low compared to other quarters as the preliminary assessment was finalized during this period. The total exploration expenditure for the year to date was US\$3.87 million bringing the Company's total expenditure since inception on this project to US\$13.93 million. This was reduced by the trial mining income of US\$0.54 million for a final total of US\$13.39.

In the 2006 fiscal year the Company commenced a bulk sampling program on the Tuschenkomst property to provide mining and metallurgical data integral to the development of a feasibility study at a cost of US\$2.33 million. In addition to general exploration, significant expenditure has also been incurred on the feasibility study. Activities related to the feasibility study include completion of trial mining, metallurgical test work, revision of resource models to include mining dilution (various scenarios), pit optimization, geotechnical investigations and environmental impact assessment with consummate base line environmental studies. Approximately US\$7.50 million of the proposed budget of US\$10.00 million for Pilanesberg for the current financial year was allocated to

elements of the feasibility study which included the completion of the bulk sampling program, related metallurgical and 3D mine modeling studies and infrastructure. The balance of US\$2.50 million was budgeted for further exploration at the project area. The anticipated expenditure for the current financial year will be US\$8.00 million. The immediate focus is the completion of the feasibility study. The property has shallow underground potential between 150m to 500m below surface which will be targeted in later phases of exploration and drilling. The US\$11.9 million allocated to Pilanesberg in the "Use of Proceeds" in the Company's prospectus would see the feasibility study through to completion by April, 2007, and would take ongoing exploration through to February, 2008.

Work Program

Platmin plans to complete a full bankable feasibility study in the first half of 2007 on the Pilanesberg Project and has completed the pre feasibility study.

The pre feasibility and bankable feasibility design studies were awarded in late July jointly to Stephan, Robertson and Kirsten (SRK) (mining) and Metallurgical Development Services, (MDS) (metallurgical plant) at an estimated cost of US\$0.49 million for the PFS and a fixed price of US\$0.45 million for the BFS.

Three alternative possibilities have been evaluated from a mining and processing perspective including selective mining of the individual reef types, bulk mining of the Merensky Reef types and a hybrid.

Metallurgical test work is nearing completion on bulk samples forwarded to Mintek. Following bench scale heavy liquid separation, milling and flotation test work, initial pilot plant scale trial milling work has been completed to determine optimum plant configurations for the two basic ore types. This will be followed by pilot plant design tests to optimize configurations for the concentrator design for the two basic ore types in the next quarter to provide the detailed data for the metallurgical concentrator designs.

Specialist studies to support the preliminary assessment are complete and are well advanced for inclusion in the feasibility study. These include

- stakeholder consultation in accordance with the social responsibility programs.
- a study of available water sources, including groundwater, in the area
- tailings dam design and site evaluation
- sterilization drilling of proposed infrastructure sites
- an archaeological evaluation of the surrounding areas
- negotiations toward procurement of a suitable and timeous power supply

Platmin also plans and is conducting further exploration in the Pilanesberg Project area focusing on: upgrading known resource estimates on existing properties including properties with known shallow resources (Witkleifontein and Rooderand); advancing earlier stage properties, through programs of soil sampling, trenching and ultimately drilling; and exploration of new areas which are currently under application. At a logical point the underground potential from 150m to 500m below surface will be evaluated.

Platmin is also actively looking at potential acquisition opportunities in the immediate vicinity of the Pilanesberg Project that could add resources and further extend the life of planned mining operations.

Platmin's work program on the Pilanesberg Project does not currently include US\$15 million as set out in the Technical Report for pre-engineering work, as such expenses would only be incurred on final plant design.

8. M'Phatlele Project

During the third quarter of fiscal 2007 a total of US\$0.74 million was spent on the M'Phatlele project bringing the cumulative amount of expenditure to US\$3.42 million on the project by the Company other than acquisition costs.

The proposed budget for M'Phatlele in the 2007 fiscal year is US\$2.90 million with another US\$1.00 million estimated for each of the following two years. It is anticipated that the expenditure for the fiscal year will be US\$2.20 million. The focus of work for the 2007 fiscal year will include an accelerated drilling program to further evaluate the Merensky and UG-2 reefs from near surface to a 500m depth; extended drilling to confirm the presence of platiniferous reefs; bench-scale metallurgical and geotechnical test work; and development of a 3D model of the ore bodies, geo-statistical resource estimates and the commencement of a pre feasibility study. The largest expenditure in the current financial year is expected to be for drilling with a budget of US\$1.70 million versus US\$0.97 million expended in the financial year ended February 28, 2006.

Work Program

Now that the conversion of the M'Phatlele prospecting permit to "new order rights" has been notarially executed, Platmin has implemented an accelerated drilling program which will provide information for a detailed assessment of the resource down to a depth of approximately 500m below surface. The results of this drilling, along with the

assay results of a significant sample backlog, will allow for re-modelling of both the Merensky Reef and UG2 Chromitite Layer as well as a geostatistical mineral resource estimate (the objective being to upgrade a large proportion of the current inferred resource to the indicated category). Further drilling will also be conducted in the 500m to 1500m interval. Drilling of the resource to 500m is expected to be completed early in 2007 with the deeper drilling to continue until early 2008. A scoping and feasibility study considering the mining of the M'Phatlele resource down to 500m has commenced.

9. Grootboom Project

During the third quarter of fiscal 2007 the Company spent US\$0.30 million on Grootboom Valley and Annex Grootboom bringing the expenditure for the project to date to US\$1.87 million.

During the 2006 fiscal year the Company's main South African operating subsidiary Boynton Investments (Pty) Ltd ("Boynton") entered into an agreement granting it an option to acquire the mining rights in respect of the Annex Grootboom property upon completion of a bankable feasibility study. Annex Grootboom is adjacent to Platmin's other Grootboom Project.

In addition, as part of the completion of this transaction, Boynton has been granted the option to acquire 100% of the PGM mineral rights on the Scheiding property (in close proximity to Platmin's M'Phatlele Project) upon the completion of a bankable feasibility on the property.

All conditions precedent in the agreement granting Boynton the abovementioned options have recently been satisfied and accordingly, in return for the cession of the options, Boynton has issued 2% of its share capital to the BEE party ceding the options thereby increasing its BEE ownership interest from 18% to 20%.

Platmin has previously reported an inferred resource of 705,000 oz (3PGE + Au) on Annex Grootboom. Should the option be exercised, the resource on Annex Grootboom will be consolidated into the Grootboom Project.

The Company is currently studying the development strategy for the Grootboom Project, and in particular the potential sale of ore to existing concentrators in the immediate project area. The Company plans a bulk sample program for metallurgical test work from Grootboom Hill to be undertaken once permission by mining authorities has been granted, and to submit a mining right application for the Grootboom 336KT property.

An initial evaluation of the Grootboom Project was completed in 2004. For the last two financial years limited expenditure was incurred on the project while negotiations on the neighboring Annex Grootboom took place. Preliminary environmental impact assessments have been made and rehabilitation carried out on areas not integral to the project. This year the Company resumed drilling on the Grootboom Project with the objective of expanding the combined resource for the project and undertaking an integrated feasibility study.

Work Program

Platmin has completed all the required exploration drilling programs on the Grootboom Project and is currently completing the assaying, 3 D modeling and resource estimation to upgrade the current inferred UG2 resources in the Grootboom Valley and Annex Valley areas to a higher category. A preliminary pit optimization is also in progress on the Annex Valley resource.

Platmin further plans to undertake the following work program:

- Initiate the bulk sampling of the Grootboom Hill deposit.
- Complete an integrated feasibility study looking at the viability of an operation producing concentrate from the UG2 resources or selling run-of-mine ore to one of the local concentrators.

10. Loskop Project

Lonmin is the operator of the Loskop Project and funds all exploration expenditures on the project (except for Rietfontein mentioned below) as part of their option to acquire 50% in the joint venture. Limited expenditure has been incurred by the Company as a result of this. A total of approximately US\$0.05 million was spent by Platmin on the Loskop Project during the quarter ended November 30, 2006 versus the prior year of US\$0.03 million. This has mainly been on option payments to farmers with whom the Company has exploration agreements.

Lonmin has spent a total of US\$4.91 million on behalf of the joint venture and completed exploration work for a total of 23,206 meters drilled. The Company has budgeted US\$0.30 million over and above the payment of option monies paid in prior years, for its contribution to exploration expenses in the current financial year from the time when Lonmin was expected to complete its earn-in in on certain identified portions of the project that will result in the formation of the first joint venture area. This milestone was achieved during the current quarter and conversions of the prospecting rights have been executed during the period under review.

Work Program

Future expenditure on a portion of the farm called Rietfontein of the Loskop project will fall into a JV where the Company (through Boynton) and Lonmin contribute on a 50/50 basis. The remainder of the project is funded solely by Lonmin. The current drilling program on Rietfontein has been completed and the proposed work program includes the completion of the geological modeling and resource estimation as well as a scoping study. Towards mid 2007, a decision will be made on whether to proceed with an initial feasibility study which will include further drilling, bulk sampling and related geological, mining, metallurgical and environmental studies. Earlier stage exploration will continue on the remainder of the Loskop Project area and will include evaluation of existing data and resource estimation where appropriate. Further drilling is planned for the winter of 2007.

11. Liquidity and Capital Resources

As at November 30, 2006, the Company had cash and cash equivalents of US\$49.99 million on hand, as compared with US\$19.94 million at February 28, 2006 mainly as a result of the initial public offering completed on August 10, 2006. The Company finances its exploration and development activities by raising capital from equity markets and through contributions by joint venture partners. At the beginning of the quarter the Company also had outstanding options and warrants which, if exercised in full, would raise an additional US\$14.57 million through the issuance of an additional 11,751,280 Common Shares.

In October 2005 warrants issued at US\$14.00 were exercised early at US\$12.60 which raised an additional US\$5.25 million through the issuance of 416,650 Common Shares.

Platmin undertook a one for nine rights offering at US\$20.00 per share with a total of 732,892 Common Shares being issued, in the quarter ended May 31, 2006. Gross proceeds of US\$11.17 million were received prior to financial year end on February 27, 2006. The remaining gross proceeds of US\$3.49 million were received during the first quarter as mentioned.

On August, 10 2006 the company issued 11,375,000 new common shares in an initial public offering for Cnd\$4.00 and GBP1.90 respectively on the TSX and the AIM market of the LSE. On the same day the company converted 2,173,000 preference shares into common shares and implemented a 10 for one split of all common shares. On August, 25 2006 an over allotment option was exercised by the Company's underwriters and a further 1,706,250 shares were issued bringing the total funds raised through the IPO to US\$46.725 million with share issue expenses totaling US\$5.74 million. During the current period all the outstanding warrants, totaling 2,000,000, were exercised at US\$0.73 raising US\$ 1,460,000 for the issue of 2,000,000 common shares.

The Company's principal subsidiary, Boynton, operates in South Africa and as a result is subject to the South African Reserve Bank ('SARB') exchange control regulations. Loans from Platmin Resources to Boynton, which amounted to US\$32.63 million at November 30, 2006 and the interest rate charged requires SARB approval. Repayment of loans also requires approval which is normally not allowed within six months of advancing the loan.

Thin capitalization rules are also applied by the South African Revenue Services ('SARS') that restrict the amount of borrowings that could attract interest to three times the shareholders' capital. Interest paid in excess of this amount is deemed to be dividends and attracts secondary tax on companies at 12.5% of the dividends paid.

The Company's principal requirements for cash over the next twelve months will be deferred exploration expenditures and expenditures related to preparation of the Company's feasibility study on its Pilanesberg Project budgeted to be US\$10.00 million over this period, feasibility and scoping studies on its other key projects and administrative expenditures. The Company's total direct exploration expenditures in fiscal 2007 on all the projects is expected to be in the order of US\$16.80 million including all land access costs of US\$0.2 million (option costs, leases etc). These amounts represent, other than for Loskop, the full cost of exploration expected on each of the Key Projects. Corporate and administrative expenditures are expected to be approximately US\$5.13 million. Capital expenditure prior to the commencement of construction at Pilanesberg is expected to be less than US\$1.00 million.

On the basis of the Company's current cash position, the Company will have sufficient funds for its planned exploration expenditure and feasibility and related studies through to the end of the financial year at February 29, 2008. It is not anticipated that the Company will need to raise additional cash during this period prior to a decision to proceed with the feasibility study for Loskop which will include additional drilling, a bulk sample and the evaluation thereof.

The construction of, and commencement of production from, the Pilanesberg Project, as well as the M'Phatlele Project and the Grootboom Project, will require that the Company raises additional funds through debt or equity issuances. The estimated amount of such additional financing can only be determined once feasibility studies on the projects are completed.

Funding requirements for Platmin's projects have historically been satisfied through the advance of shareholders loans (normally requested by way of cash calls) or subscription for shares (rights issues to shareholders). The shareholder agreements or joint venture agreements of Platmin's subsidiaries also generally make provision for the board of each relevant company to seek finance (debt) on behalf of each company although this has to date not been utilized.

Should Platmin's BEE partners not fund their requirements in the future, Platmin would consider available alternatives, including funding the requirements in the near to medium term by way of intercompany loans, equity (which would dilute such BEE partners), or potentially seeking to replace its BEE partners. Funding may also be provided by way of inter-company loans from Platmin to its BEE partner directly which would then allow the BEE partner to utilize such funding to contribute towards a cash call. In such event, funding contributions by BEE partners (although funded by Platmin) would be treated either as equity or booked to the loan account between the joint venture entity or company.

Platmin has funded a total of US\$4.88 million (ZAR34.8 million) on behalf of its BEE partners, all by way of loan account, over the last two fiscal periods and to date. All such amounts remain in inter-company loan accounts.

12. Off-Balance Sheet Arrangements

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

13. Related Party Transactions

During the period under review the company provided a bridging finance facility to Moepi Capital to assist the BEE party in acquiring an interest in Boynton Investments as discussed under point 14 below.

14. Proposed Transactions

The Company is continually reviewing merger, acquisition, investment and joint venture transactions and opportunities with the goal to enhance shareholder value.

At the current time there are no reportable proposed transactions.

During the last financial year the Company's subsidiary, Boynton, entered into two agreements whereby the effective holding of the Company in Boynton would reduce from 82% to 73.7% while Boynton's participation in two projects would increase. This transaction served to simplify the title to the projects and the relationship with our BEE partners. As mentioned above, under the Grootboom Project the Company's principal South African operating subsidiary Boynton completed a transaction whereby it obtained an option to acquire the mining rights in respect of the Annex Grootboom property adjacent to the Grootboom Project and the Scheiding property, nearby the M'Phatlele Project. This acquisition is conditional upon completion of a bankable feasibility study in terms of each of the projects.

In return for the cession of the options, Boynton has issued 2% of its share capital to the BEE party ceding the options thereby increasing the BEE ownership interest from 18% to 20%. Platmin is aiming to achieve the minimum 26% BEE ownership interest (required from April 30, 2014) upon approval by the Department of Minerals and Energy of an agreement to consolidate the Pilanesberg Project ownership structure.

15. Critical Accounting Estimates

The Company's significant accounting principles and methods of application are disclosed in note 3 of the Company's consolidated financial statements for the year ended February 28, 2006. The following is a discussion of the critical accounting policies and estimates which management believes are important for an understanding of the Company's financial results.

"Exploration and development costs". The costs relating to the acquisition, exploration and development of mineral properties, less recoveries, are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related project are reclassified as mining assets and amortized on a unit of production method. If it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated life of the property, or the project is sold or abandoned, the project is written down to its net realizable value.

The recoverability of amounts recorded for exploration and development costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development, and future profitable production or proceeds from the disposition thereof. The amounts shown as exploration and development costs do not necessarily represent present or future values.

As at November 30, 2006 the Company had capitalized US\$19.88 million of exploration and development costs. The comparative figure as at February 28, 2006 was US\$13.79 million.

"Stock Based Compensation". The Company recognizes compensation expense when stock options are granted. The fair value of options granted has been estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 3.5%, expected dividend yield of nil, expected volatility of 100%, and expected option life of 3.5 years. For purposes of the pro forma disclosure, the estimated fair value of the options is expensed over the options' vesting periods. The full impact of the

expense relating to all stock options granted to employees has been included in the consolidated statements of operations and deficit for the quarter ended November 30, 2006 and amounted to US\$0.58 million.

The factors affecting stock-based compensation include estimates of when stock options might be exercised and the stock price volatility. The timing for the exercise of options is out of the Company's control and will depend, among other things, upon a variety of factors including the market value of Company shares and financial objectives of the holders of these options.

"Recent accounting pronouncements". Effective January 1, 2005 the Company adopted the recommendations (AcG-1 5) issued by The Canadian Institute of Chartered Accountants dealing with Variable Interest Entities ("VIE"). AcG-1 5 details the requirements on the consolidation of VIEs. VIEs include entities where the equity invested is considered insufficient to finance the entity's activities without additional subordinated financial support from other parties. AcG-1 5 requires the Company to consolidate VIEs if the investment it holds in those entities and / or the relationship it has with them result in it being exposed to a majority of their expected losses, being able to benefit from a majority of their expected residual returns, or both. As a result of adopting AcG-1 5, there was no impact on the consolidated balance sheet as at November 30, 2006 and the consolidated statement of operations and deficit for the year then ended, and no new significant VIEs were identified during the period.

16. Financial Instrument and Other Instruments

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

17. Outstanding Share Data

Platmin has an unlimited number of authorized Common Shares without par value. At November 30, 2006 there were 93,089,353 Common Shares outstanding compared to the 4,866,950 Common Shares outstanding at February 28, 2006. This increase is a result of the conversion of the Platmin Series A Preferred Shares, a ten for one split in common shares and the new issues resulting from the IPO. This is best explained under note 10 of the accompanying financial statements.

Platmin has outstanding stock options and warrants to purchase Common Shares. As at November 30, 2006 there were options outstanding exercisable for 10,492,030 Common Shares. As at November 30, 2006 there were no warrants outstanding as the previously reported 2,000,000 warrants were exercised for 2,000,000 Common Shares.

18. Risks and Uncertainties

The Company is in the business of exploration and development of mineral properties with the objective of commercial production of the properties directly or through third parties. There are numerous risks associated with this business. Readers are urged to review the section titled "Risk Factors" appearing in Platmin's previously filed prospectus which can be viewed at www.sedar.com.

19. Environmental Matters

The Company conducts exploration on its Key Projects and prospects subject to mineral exploration permit applications issued by the Department of Minerals and Energy (DME). For each exploration program a plan of rehabilitation is included with the application and where required the appropriate bond or funds are lodged with the relevant agent of the DME in respect of the rehabilitation work which may have to be carried out when the exploration program is completed and where no further work is planned on the property. All such environmental plans or bonds are in the normal course of the business and were nominal amounts at fiscal year end 2006. During the first quarter of the period under review, the Company applied for and placed a separate environmental bond with the DME of US\$0.59 million through its subsidiary Taung Minerals Pty Ltd. in respect of rehabilitation of the bulk sample test now completed on its Pilanesberg project. Depending on the outcome of this bulk test and the recommended sequence of further work, this bond may be converted into further bonds to be issued for on-going development work on the project. Environmental bonds are redeemed by the DME on completion of the rehabilitation plans contained within the exploration permits.