



Platmin Limited

(A development stage company)

Consolidated Interim Financial Statements

(Expressed in United States dollars, unless otherwise stated)

For the three and nine month periods ended November 30, 2008

(Unaudited)

Platmin Limited

(A development stage company)

Interim Consolidated Balance Sheets

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

		November 30 2008 \$ 000	As at February 29 2008 \$ 000
	Notes		
ASSETS			
Current assets			
Cash and cash equivalents		10,217	88,188
Restricted cash	6	932	4,408
Loans due from related parties	5	33	14,680
Receivables		7,312	3,838
Prepaid expenses		1,610	59
		<u>20,104</u>	<u>111,173</u>
Property, plant and equipment	8	143,001	24,425
Rehabilitation investment		884	544
Mineral rights	10	3,132	3,132
Mineral exploration property acquisition costs	11	4,619	4,619
Deferred exploration expenses	11	33,136	27,132
		<u>204,876</u>	<u>171,025</u>
LIABILITIES			
Current liabilities			
Accounts payable		21,560	3,043
Accrued liabilities		320	118
Bridge loan facility	13	37,034	-
		<u>58,914</u>	<u>3,161</u>
Loan payable	15	1,481	1,388
Asset retirement obligation	16	4,054	1,461
		<u>64,449</u>	<u>6,010</u>
SHAREHOLDERS' EQUITY			
Common shares	12	192,143	192,116
Contributed surplus	12	5,351	3,068
Warrants	13	846	-
Deficit		(57,913)	(30,169)
		<u>140,427</u>	<u>165,015</u>
		<u>204,876</u>	<u>171,025</u>
NATURE OF OPERATIONS AND GOING CONCERN			
	1		
CONTINGENCIES AND COMMITMENTS			
	18		

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

Platmin Limited

(A development stage company)

Interim Consolidated Statements of Operations, Comprehensive Loss and Deficit

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

	Notes	For the three months ended November 30		For the nine months ended November 30	
		2008 \$ 000	2007 \$ 000	2008 \$ 000	2007 \$ 000
Administrative expenses					
Management and consulting fees		1,884	1,707	6,614	7,021
Travelling and promotion		62	110	370	283
Rental		48	46	156	135
Office		597	368	1,604	839
Professional fees		287	35	598	173
Interest and penalties		2,397	65	4,676	128
Amortization of property, plant and equipment		101	26	202	55
Foreign exchange loss/(gain)		19,233	(646)	21,106	(615)
		(24,609)	(1,711)	(35,326)	(8,019)
Research and development costs		-	-	-	82
Deferred exploration costs written off		-	-	-	(4)
		(24,609)	(1,711)	(35,326)	(7,941)
Dilution gain on sale of shares in subsidiary		4,549	-	4,549	-
Interest income		659	691	3,033	2,062
Loss and comprehensive loss for the period		(19,401)	(1,020)	(27,744)	(5,879)
Deficit – Beginning of period		(38,512)	(25,948)	(30,169)	(21,089)
Deficit – End of period		(57,913)	(26,968)	(57,913)	(26,968)
Basic and diluted loss per common share	9	0.17	0.01	0.25	0.06
Weighted average number of common shares outstanding ('000)		111,587	97,676	111,581	95,536

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

Platmin Limited

(A development stage company)

Interim Consolidated Statements of Changes in Shareholders' Equity

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

	For the three months ended November 30		For the nine months ended November 30	
	2008	2007	2008	2007
	\$ 000	\$ 000	\$ 000	\$ 000
Share Capital				
Balance at the beginning of the period	192,143	103,631	192,116	99,542
Conversion of stock options	-	189	-	3,264
Fair value of stock options	-	434	27	1,448
Balance at the end of the period	192,143	104,254	192,143	104,254
Deficit				
Balance at the beginning of the period	(38,512)	(25,948)	(30,169)	(21,089)
Loss for the period	(19,401)	(1,020)	(27,744)	(5,879)
Balance at the end of the period	(57,913)	(26,968)	(57,913)	(26,968)
Contributed surplus				
Balance at the beginning of the period	4,566	2,863	3,068	2,480
Stock based compensation	785	440	2,310	1,837
Transferred to share capital on exercise of stock options	-	(454)	(27)	(1,468)
Balance at the end of the period	5,351	2,849	5,351	2,849
Warrants				
Balance at the beginning of the period	846	-	-	-
Fair value of warrants issued	-	-	846	-
Balance at the end of the period	846	-	846	-

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

Platmin Limited

(A development stage company)

Interim Consolidated Statements of Cashflows

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

	Notes	For the		For the	
		three months ended	three months ended	nine months ended	nine months ended
		November 30	November 30	November 30	November 30
		2008	2007	2008	2007
		\$ 000	\$ 000	\$ 000	\$ 000
Cash provided by/(used in)					
Operating activities					
Loss for the year		(19,401)	(1,020)	(27,744)	(5,879)
<i>Non-cash items</i>					
Accretion		17	-	43	-
Amortization of property, plant and equipment		101	26	202	55
Loss on sale of property, plant and equipment		9	-	11	6
Stock-based compensation expense		785	420	2,310	1,818
Foreign exchange loss		19,233	(646)	21,106	(615)
Dilution gain on sale of shares in subsidiary		(4,549)	-	(4,549)	-
Interest income		(2,823)	-	(3,033)	-
Finance cost		2,368	-	4,633	-
Changes in non-cash working capital items	7	1,393	2,464	13,694	1,347
		(2,867)	1,244	6,673	(3,268)
Investing activities					
Purchase of property, plant and equipment		(34,841)	(6,749)	(113,964)	(8,239)
Proceeds from disposal of property, plant and equipment		13	-	20	15
(Increase)/decrease in restricted cash		(203)	(59)	3,476	(1,590)
Increase in rehabilitation investment		(324)	(652)	(340)	(652)
Increase in deferred exploration expenses		(1,580)	(1,450)	(6,004)	(5,073)
		(36,935)	(8,910)	(116,812)	(15,539)
Financing activities					
Increase in loans payable		(10,901)	(197)	34,629	(1,149)
Financing of shares in subsidiary		4,549	-	4,549	-
Decrease in loans receivable		14,647	299	14,647	793
Issue of common shares		-	189	-	3,264
		8,295	291	53,825	2,908
Net increase in cash and cash equivalents during the period		(31,495)	(7,375)	(56,314)	(15,899)
Effect of exchange rate changes on non-monetary items		(19,740)	645	(21,657)	569
Cash and cash equivalents at the beginning of the period		61,464	34,808	88,188	43,408
Cash and cash equivalents at the end of the period		10,217	28,078	10,217	28,078

Supplementary cash flow information

7

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

Platmin Limited

(A development stage company)

Notes to the Interim Consolidated Financial Statements

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

1. Nature of operations and going concern

Platmin Limited (the "Company") is a development stage Natural Resources Company engaged in the acquisition, exploration and development of Platinum Group Metal ("PGM") properties in South Africa, which is incorporated under the Canada Business Corporation Act on May 23, 2003.

These financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due.

For the three and nine months ended November 30, 2008 the Company incurred a loss of approximately \$19 million and \$28 million respectively and as at November 30, 2008 had an accumulated deficit of approximately \$58 million. There are approximately \$84 million in existing development commitments for completion of the Pilanesberg project as at November 30, 2008. Such circumstances lend to substantial doubt as to the ability of the Company to meet its obligations as they come due and accordingly the appropriateness of the use of the accounting principles applicable as a going concern.

The Company raised capital by way of a private placement during the previous financial year and had approximately \$10.2 million in cash and cash equivalents at November 30, 2008 to fund development activities and meet its contractual obligations.

The Company has entered into an investors and subscription agreement, whereby Ivy Lane Capital Limited will subscribe for 184,886,627 Common Shares at a purchase price of C\$0.85 (or ZAR 6.80) per Common Share based on the exchange rate on December 8, 2008. This transaction was concluded and the cash amount of US\$125 million was received on December 19, 2008.

Pursuant to this agreement, Platmin will issue 73,529,411 Common Shares to the Bakgatla-Ba-Kgafela Tribe on or before March 31, 2009 at a per share purchase price of either ZAR 6.80 or US\$0.67609 (C\$0.85 based on the exchange rate on December 8, 2008) for a total purchase consideration of ZAR 500 million.

The Company's ability to advance its capital requirements and day-to-day expenses is dependent upon its ability to fund its working capital and expenditure requirements and eventually to generate positive cash flows, either from operations or the sale of a property. 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 the repayment of the bridge loan facility, and the revenue streams forecasted 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. 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. Basis of presentation and recent accounting changes

The unaudited interim consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("GAAP"). The preparation of the financial statements is based on accounting policies and practices consistent with those used in the preparation of the audited annual consolidated financial statements except as noted below. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended February 29, 2008, since they do not contain all disclosures required by GAAP for annual financial statements. These unaudited 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.

Platmin Limited

(A development stage company)

Notes to the Interim Consolidated Financial Statements

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

2. Basis of presentation and recent accounting changes (continued)

New accounting policies

On January 1, 2008, the Company adopted three new accounting standards that were issued by the Canadian Institute of Chartered Accountants (CICA): Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments - Disclosure and Handbook Section 3863 Financial Instruments - Presentation.

Capital Disclosures

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

Financial Instruments Disclosure and Presentation

The new Sections 3862 and 3863 replace Handbook Section 3861, "Financial Instruments — Disclosure and Presentation", revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

Inventories

Handbook Section 3031, Inventories, relates to the accounting for inventories and revises and enhances the requirements for assigning costs to inventories. It further provides more guidance on the determination of the measurement and disclosure of inventory.

The adoption of this standard did not have any effect on the consolidated financial statements for the current or prior periods.

Future Accounting Changes

Goodwill and Intangible Assets

In October 2007, the CICA approved Handbook Section 3064, "Goodwill and Intangible Assets" which replaces the existing Handbook Sections 3062, "Goodwill and Other Intangible Assets" and 3450 "Research and Development Costs". The standard is effective for years beginning on or after October 1, 2008 and provides guidance on the recognition, measurement and disclosure requirements for goodwill and intangible assets.

The Company is assessing the impact of this new section.

International Financial Reporting Standards ("IFRS")

In January 2006, the Accounting Standards Board ("AcSB") formally adopted the strategy of replacing financial reporting under Canadian GAAP with financial reporting under IFRS, for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. On February 13, 2008, the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable for-profit enterprises. Financial reporting under IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company will be required to prepare comparative financial statements in accordance with IFRS beginning with the three-month period ended December 31, 2010.

The Company is currently assessing the impact of IFRS on its consolidated financial statements.

Platmin Limited

(A development stage company)

Notes to the Interim Consolidated Financial Statements

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

3. Capital Risk Management

The Company's objective when managing capital is to maintain adequate levels of funding to support development of its Pilanesberg project, to continue necessary exploration activities in South Africa and to maintain corporate and administrative functions. Funds are primarily secured through a combination of equity capital raised and external debt. There can be no assurances that the Company will be able to continue raising equity capital and external debt in this manner. The Company invests all capital that is surplus to its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term guaranteed deposits, all held with major financial institutions in South Africa and the United Kingdom.

4. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

Market risk

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the South African Rand (ZAR). Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency. Management's policy is to review its exposure on a case by case basis. The risk is measured using cash flow forecasting.

The Company's had foreign currency denominated monetary assets at a carrying value of ZAR 173 million and liabilities at a carrying value of ZAR 601.9 million at the reporting date.

Sensitivity

During the quarter under review the US Dollar had strengthened on average by 30% against the South African Rand. Based on the financial instruments held at November 30, 2008, had the US Dollar strengthened by another 10% against the South African Rand with all other variables held constant, the company's loss for the quarter would have been \$6.4 million lower as a result of foreign exchange gains on translation of non-US Dollar denominated financial instruments as detailed above.

Credit Risk

The Company's other receivables are exposed to credit risk, which is the risk that the counterparties to the Company's receivables will fail to discharge their obligations to the Company. The amount of credit risk to which the Company is exposed is insignificant due to the limited amount of other receivables.

Liquidity Risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Interest Rate Risk

The Company's variable-rate short-term debt and fixed-rate long-term debt are exposed to interest rate risk. Future changes in market interest rates would affect the interest payments on the Company's variable-rate short-term debt.

A 1% increase in ZAR JIBAR would increase the Company's quarterly interest expense on short-term debt by \$93,505. The Company has not hedged or mitigated its exposure to interest rate risk.

Platmin Limited

(A development stage company)

Notes to the Interim Consolidated Financial Statements

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

5. Loans due from related parties

	November 30 2008 \$ 000	February 29 2008 \$ 000
Moepi Platinum (Pty) Ltd ⁽¹⁾	-	14,647
Tafida Investments (Pty) Ltd	2	3
Defacto Investments (Pty) Ltd	31	30
	<u>33</u>	<u>14,680</u>

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

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

⁽¹⁾ The above loan relates to loan agreement signed between Moepi Platinum (Pty) Ltd ("Moepi"), previously called Moepi Capital (Pty) Ltd, and the Company during the 2007 fiscal year. The loan bore interest at LIBOR. This loan was repaid in full on October 31, 2008.

6. Restricted cash

Restricted cash consists of the following:

	November 30 2008 \$ 000	February 29 2008 \$ 000
Rehabilitation guarantees	532	681
Eskom guarantee	-	1,458
Letters of credit issued	400	2,269
	<u>932</u>	<u>4,408</u>

On June 17, 2008 a guarantee of \$8,431,250 (ZAR 84,987,000), underwritten by an insurance backed guarantee issued by Lombard Insurance, was provided to Eskom to order critical long lead time material. This guarantee replaced the guarantee of \$1,083,602 (ZAR 10,922,712) previously issued by ABSA Bank Limited, which was a money backed guarantee.

Letters of credit:

- On February 28, 2008 a letter of credit was provided to Larox Corporation for the Pilanesberg Project. This letter of credit was issued by Standard Bank Limited and has lapsed on 6 June 2008 on completion of delivery.
- On November 25, 2008 a letter of credit was provided to Thermo Gamma-Metrics (Pty) Ltd, a company registered in the Commonwealth of Australia, for the Pilanesberg Project. The letter of credit was issued by Reichmans S.A. on behalf of Investec Bank Limited and Pilanesberg Platinum Mines (Pty) Ltd deposited an amount of \$396,825 (ZAR 4,000,000) in an interest bearing account at Investec Bank Limited. At November 30, 2008 the total interest earned amounted to \$3,000. Pilanesberg Platinum Mines (Pty) Ltd has also taken forward cover on the letter of credit to hedge the foreign currency risk.

The restricted cash is accounted for at fair value.

Platmin Limited

(A development stage company)

Notes to the Interim Consolidated Financial Statements

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

7. Supplementary cash flow information

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

	For the three months ended November 30		For the nine months ended November 30	
	2008	2007	2008	2007
	\$ 000	\$ 000	\$ 000	\$ 000
Receivables	362	(1,051)	(3,474)	(1,180)
Prepaid expenses	(182)	71	(1,551)	63
Accounts payable	1,088	3,528	18,517	2,619
Accrued liabilities	125	(84)	202	(155)
	1,393	2,464	13,694	1,347

8. Property, plant and equipment

	Cost \$ 000	Accumulated amortization \$ 000	Net book value \$ 000
As at November 30, 2008			
Vehicles	404	140	264
Computer equipment	592	192	400
Computer software	479	169	310
Office equipment	43	20	23
Furniture and fittings	214	40	174
Other equipment	37	14	23
Leasehold improvements	89	29	60
Plant construction	140,830	-	140,830
Land and buildings	917	-	917
	143,605	604	143,001

As at February 29, 2008

Vehicles	355	140	215
Computer equipment	188	138	50
Computer software	90	68	22
Office equipment	39	16	23
Furniture and fittings	102	28	74
Other equipment	17	13	4
Leasehold improvements	87	15	72
Plant construction	23,965	-	23,965
	24,843	418	24,425

Platmin Limited

(A development stage company)

Notes to the Interim Consolidated Financial Statements

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

9. 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.

	For the three months ended November 30		For the nine months ended November 30	
	2008	2007	2008	2007
	\$ 000	\$ 000	\$ 000	\$ 000
Loss attributable to shareholders (\$'000)	19,401	1,020	27,744	5,879
Weighted average number of common shares outstanding ('000)	111,587	97,676	111,581	95,536
Basic and diluted loss per common share in US\$ per share	0.17	0.01	0.25	0.06

As the Company is reporting a loss for all years presented and all potential common shares are anti-dilutive, the diluted loss per share equals basic loss per share.

10. Mineral rights

	For the nine months ended November 30	February 29
	2008	2008
	\$ 000	\$ 000
Mineral rights at cost	3,132	3,132

11. Deferred exploration expenses

Balance brought forward	27,132	21,503
Additions	6,004	5,629
Balance carried forward	33,136	27,132

Platmin Limited

(A development stage company)

Notes to the Interim Consolidated Financial Statements

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

11. Deferred exploration expenses (continued)

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

	November 30, 2008		February 29, 2008	
	Acquisition cost \$ 000	Deferred exploration expenses \$ 000	Acquisition cost \$ 000	Deferred exploration expenses \$ 000
Pilanesberg project				
Tuschenkomst	25	9,334	25	8,853
Witkleifontein	-	1,939	-	1,869
Rooderand	25	1,411	25	1,409
Ruighoek	-	3,532	-	3,435
Vogelstruisnek	-	101	-	82
Bakhoutrantje	-	53	-	48
Palmietfontein	-	541	-	532
Moloana area	-	81	-	80
Mphahlele project	3,055	10,048	3,055	6,475
Grootboom project				
Grootboom	1,514	3,180	1,514	2,067
Grootboom Tailings	-	152	-	94
Annex Grootboom	-	673	-	505
Loskop project				
Loskop 2	-	464	-	404
Rietfontein	-	271	-	192
Kameeldoorn	-	4	-	-
De Wagendrift	-	4	-	-
Other projects				
Golden Valley	-	322	-	291
Oorlogsfontein	-	84	-	84
Nooitgezien & Goedverwacht	-	39	-	7
Vogelenzang	-	80	-	78
Apiesboomen	-	105	-	79
Woolrich area 1	-	200	-	175
Woolrich area 2	-	3	-	3
Woolrich area 3	-	4	-	3
Woolrich area 4	-	2	-	2
Chrome	-	40	-	-
Strydfontein	-	20	-	15
Veeplaats	-	16	-	15
Defacto area	-	19	-	18
Scheiding	-	229	-	226
Bashoek	-	34	-	15
Tweelaagte, Diamant & Kleingenog	-	151	-	76
	4,619	33,136	4,619	27,132

Platmin Limited

(A development stage company)

Notes to the Interim Consolidated Financial Statements

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

11. Deferred exploration expenses (continued)

i) Pilanesberg project

The Company holds a beneficial interest of approximately 72.4% of the aforementioned properties. All of the prospecting permits in terms of the old law were converted under the Mineral and Petroleum Resources Development Act ("MPRDA") as described above. Four of the properties were transferred into a special purpose vehicle "Pilanesberg Platinum Mines (Pty) Ltd" ("PPM") which then made application for a Mining Right covering Tuschenkomst, Witkleifontein, Rooderand (Portion3) and Ruighoek (various portions). The Mining Right was submitted in November, 2006 and was granted on February 14, 2008.

The Pilanesberg project comprises various portions on seven properties (from north to south): Tuschenkomst 135JP; Witkleifontein 136JP; Rooderand 46JQ; Ruighoek 169JP; Vogelstruisnek 173JP; Bakhoutrantje 205JP and Palmietfontein 208JP. The Company's operating subsidiary, Boynton Investments (Pty) Ltd ("Boynton") has entered into separate option contracts with the mineral rights owners in respect of the material portions of the properties.

ii) Mphahlele project

The Company currently holds a 57.2% beneficial interest in the Mphahlele project through its subsidiaries Mahube and Tameng. Tameng has entered into a notarial prospecting contract with the South African Government which granted to Tameng the exclusive right to prospect on the property Locatie van Mphahlele 457KS constituting the Mphahlele project. The Mining Right application for the Mphahlele project was submitted to and accepted by the DME in December 2007.

iii) Grootboom project

The Company holds a 72.4% beneficial interest in the Grootboom project through its subsidiary, Boynton. Boynton holds an exclusive right to prospect on the entire Grootboom project, excluding the chrome rights that belong to Samancor.

Mining Right Applications for both the Grootboom UG2 and Grootboom Tailings Projects were submitted to and accepted by the DME in November 2007. Notice of grant of the Mining Right in respect of the Grootboom UG2 project was received on 21 October 2008.

iv) Loskop project

The Company currently holds a 72.4% interest in the Loskop project. Boynton holds prospecting rights over the project area which was granted under the MPRDA. The Loskop project area comprises various portions of the four properties: Rietfontein 70JS; Kameeldoorn 71JS; De Wagendrift 79JS and Loskop Suid 53JS. Boynton has entered into separate option contracts with the mineral rights owners in respect of the material portions of the properties.

On January 29, 2003, Boynton entered into an option and joint venture agreement with a subsidiary of Lonmin PLC ("Lonmin") in respect of the Loskop project area. Under the agreement, Lonmin's subsidiary acquired the right to acquire a 50% interest in the various prospecting and option contracts comprising the Loskop project. It is also required to fund the cost of acquisition should it decide to exercise its option and acquire the 50% interest.

v) Other projects

The Company's other projects consist of various portions of the properties, Golden Valley 621IQ, Oorlogsfontein 25 KS, Vogelenzang 794KS, Annex Grootboom 335KT and Scheiding 407KS, and Tweelaagte 175 JP, Diamant 206JP and Kleingenoeg 174 JP. These properties are not considered material to the Company's operations.

Platmin Limited

(A development stage company)

Notes to the Interim Consolidated Financial Statements

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

12. Share capital

a) Common shares

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

Movement during fiscal 2008

	Number of shares	Amount \$000
Balance, March 1, 2007	93,802,813	99,542
Common shares issued	9,500,000	79,613
Over allotment option	1,425,000	12,101
Exercise of options	6,041,422	511
Fair value of options exercised	-	1,980
Broker compensation options exercised	767,813	2,913
Balance, February 29, 2008	111,537,048	196,660
Share issue expenses	-	(4,544)
	<u>111,537,048</u>	<u>192,116</u>

Movement during period ended November 30, 2008

Balance, March 1, 2008	111,537,048	192,116
Exercise of options	49,714	-
Fair value of options exercised	-	27
Balance, November 30, 2008	<u>111,586,762</u>	<u>192,143</u>

During the period ended November 30, 2008 60,000 cashless options were exercised and converted into 49,714 common shares.

Exercise date	Exercise price \$	Number of options
Options exercised during period ended November 30, 2008		
April 30, 2008	<u>1.20</u>	<u>60,000</u>

(b) Contributed surplus

	November 30 2008 \$ 000	February 29 2008 \$ 000
Balance – Beginning of period	<u>3,068</u>	<u>2,479</u>
Surplus – Vesting of options issued	2,310	2,549
Surplus – options exercised (cash)	-	(846)
Surplus – options exercised (cashless)	(27)	(1,114)
Balance – End of period	<u>5,351</u>	<u>3,068</u>

Platmin Limited

(A development stage company)

Notes to the Interim Consolidated Financial Statements

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

13. Bridge loan facility

On May 14, 2008, the Company signed a \$35 million (ZAR350 million) bridge financing facility with Standard Bank of South Africa Limited bearing interest at Johannesburg Interbank Lending Rate ("JIBAR", on November 30, 2008: 11.867%) plus 3% margin per annum. The facility is due to be repaid with interest on February 28, 2009.

In connection with this loan, 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 \$846,238 has been treated as cost of the loan transaction and will be amortized to net income using the effective interest method over the loan term.

	November 30 2008 \$ 000	February 29 2008 \$ 000
Bridge loan facility	35,000	-
Interest capitalised	2,880	-
Warrants issued	(846)	-
Balance – End of period	37,034	-

14. Stock options

The Board of Directors adopted a resolution dated May 3, 2005, which established a stock 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 Company. The purpose of the Plan is to attract persons by offering to such persons the opportunity to acquire (or to increase) an equity interest in the Company through the purchase of shares under the Plan. Subject to adjustment made in the case of a share split of the issued common shares of the Company, the aggregate number of common shares that may be issuable pursuant to options granted under the Plan is fixed at a maximum of 9% of the outstanding common shares of the Company 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 Company. The purpose of the Plan is to attract persons by offering to such persons the opportunity to acquire (or to increase) an equity interest in the Company through the purchase of shares under the Plan. 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.

The following assumptions were used in valuing the options issued:

- Options issued prior to June 1, 2007: risk free interest rate of 3.5%, expected dividend yield of nil, expected volatility of 100%, and expected option life of 3.5 years.
- Options issued subsequent to June 1, 2007, but prior to February 29, 2008: risk free interest rate of 4.5%, expected dividend yield of nil, expected volatility of 66%, and expected option life of 3 years.
- Options issued subsequent to February 29, 2008: risk free interest rate of 3.5%, expected dividend yield of nil, expected volatility of 73%, and expected option life of 3 years.

Platmin Limited

(A development stage company)

Notes to the Interim Consolidated Financial Statements

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

14. Stock options (continued)

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

	Number of options	Weighted average exercise price \$
Movement during fiscal 2008		
Options outstanding, March 1, 2007	9,635,633	1.58
Granted	2,646,900	8.07
Exercised – compensation options	(767,813)	(3.79)
Exercised – options	(7,012,820)	(1.03)
Options cancelled – resignations	(40,000)	(0.70)
Options outstanding, February 29, 2008	4,461,900	5.29
Options exercisable, February 29, 2008	1,940,000	1.60
Movement during period ended November 30, 2008		
Options outstanding, March 1, 2008	4,461,900	5.29
Exercised – options	(60,000)	(1.20)
Options cancelled – resignations	(310,500)	(8.91)
Options granted	847,000	5.78
Options outstanding, November 30, 2008	4,938,400	5.20
Options exercisable, November 30, 2008	2,261,800	2.38

As at November 30, 2008, the following options were exercisable and outstanding:

Expiry date	Exercisable		Outstanding	
	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	370,000	5.74	570,000
August 28, 2012	7.04	50,000	7.04	150,000
November 7, 2012	10.11	56,800	10.11	170,400
January 14, 2013	8.91	-	8.91	1,016,000
January 21, 2013	8.30	-	8.30	400,000
April 25, 2013	7.04	-	7.04	210,000
June 23, 2013	7.08	-	7.08	200,000
June 30, 2013	6.46	-	6.46	200,000
September 23, 2013	2.93	-	2.93	144,000
September 30, 2013	2.97	-	2.97	93,000
Weighted average	2.38	2,261,800	5.20	4,938,400

Platmin Limited

(A development stage company)

Notes to the Interim Consolidated Financial Statements

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

14. Stock options (continued)

The stock-based compensation expense included in the consolidated statements of operations and deficit, is as follows:

	For the three months ended November 30		For the nine months ended November 30	
	2008	2007	2008	2007
	\$ 000	\$ 000	\$ 000	\$ 000
Management and consulting fees	785	421	2,310	1,818

At November 30, 2008 the fair value of stock options issued, which had not been charged to employee expenses, was \$6,048,722 (2007: \$1,996,349).

15. Loan payable

The long-term loan from Corridor Mining Resources (a subsidiary of Limpopo Economic Development Enterprise, previously Northern Province Development Corporation) bears interest at South African prime rate which is currently 15.5%, until otherwise agreed by the shareholders, and has no fixed terms of repayment. The loan is used by Mahube to fund exploration activities.

The loan is to be repaid from the proceeds generated by the 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 leading to a bankable feasibility study for this project.

	For the nine months ended	
	November 30	February 29
	2008	2008
	\$ 000	\$ 000
Reconciliation:		
Balance at the beginning of the period	1,388	659
Increase in loans payable	93	729
Balance at the end of the period	1,481	1,388

16. Asset retirement obligation

The DME required a rehabilitation guarantee of \$493,325 before approving the application for a bulk sample at the Pilanesberg project. The full amount was provided for in the 2007 fiscal year. The final retirement obligation was established on completion of the bankable feasibility study, and has been provided for now that construction has commenced.

On August 31, 2007 the NI43-101 Technical Report for the Pilanesberg Project was filed on Sedar. The DME required a further rehabilitation guarantee of \$7,026,901 (ZAR 50,442,060) before approving the application for a mining right. This guarantee was provided by Guardrisk Insurance Company Limited. Annual premium payments amount to \$551,691 (ZAR 4,500,000) and the first payment was made on October 1, 2007 and the last is due on October 1, 2009. Premiums are dependent on the Cover Limit and an annual review. Interest accrued to date amounts to \$8,657.

Platmin Limited

(A development stage company)

Notes to the Interim Consolidated Financial Statements

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

16. Asset retirement obligation (continued)

The Pilanesberg Mine is currently under construction and the estimate thus represents the current cost of environmental liabilities as at November 30, 2008. An annual estimate of the quantum of closure costs is necessary in order to fulfil the requirements of the DME, as well as meeting specific closure objectives outlined in the mine's Environmental Management Programme. This programme is intended to render the rehabilitated areas available for wildlife/ecotourism and/or livestock grazing.

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 November 30, 2008 is \$4 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 credit adjusted risk free rate of 9.5% and an inflation rate of 6% over a period of 16 years.

Reconciliation:	For the three months ended November 30		For the nine months ended November 30	
	2008 \$ 000	2007 \$ 000	2008 \$ 000	2007 \$ 000
Balance at the beginning of the period	2,778	493	1,461	493
Liability incurred in the current period	1,259	-	2,550	-
Accretion	17	-	43	-
Balance at the end of the period	4,054	493	4,054	493

17. Contingencies and commitments

- The Company has guaranteed the rehabilitation of numerous exploration targets. As at November 30, 2008, the total guarantees held by a bank were \$691,089 (February 29, 2008 - \$653,238).
- Boynton has entered into an agreement with Impala Platinum Limited (Impala) for the right of first refusal to purchase PGM concentrate produced by Boynton from the properties, Ruighoek 169JP, Vogelstruisnek 173JP and Palmietfontein 208JP. Should Boynton elect not to accept the terms proposed by Impala, a break fee of \$2,089,573 in aggregate will be payable to Impala.
- Boynton has an obligation, which cannot be quantified, pro rata to its shareholding in Mahube to provide funding to Tameng to undertake the necessary exploration and development on the Mphahlele project. The consequence of not contributing accordingly results in dilution of Boynton's shareholding.
- Boynton has entered into an agreement with Codoca Beleggings CC (Codoca) where Codoca will transfer its mineral rights to Boynton. A deposit of \$242,840 (ZAR1.5 million) was paid to Codoca.

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

Payment of 50% of the balance of the consideration amount within 30 days of being notified by the DME that a prospecting right in terms of the MPRDA has been granted and issued to Boynton, enabling and entitling Boynton to commence prospecting activities and also in respect of Codoca's undivided share in the mineral rights. The remaining balance for this, less the deposit, will be \$158,711 (ZAR1.6 million).

Furthermore, payment of remaining balance of the consideration amount within 30 days of being notified by the DME that a mining right in terms of the MPRDA has been granted and issued to Boynton, enabling and entitling Boynton to commence mining activities and also in respect of Codoca's undivided share in the mineral rights. The remaining balance for this, less the deposit, will be \$158,711 (ZAR1.6 million).

Platmin Limited

(A development stage company)

Notes to the Interim Consolidated Financial Statements

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

17. Contingencies and commitments (continued)

- In respect of a joint venture agreement with Western Platinum Ltd. (Lonmin JV), Lonmin will contribute a maximum of \$627 per hectare towards mineral rights existing under the joint venture and towards any additional mineral rights included later. Any costs beyond \$627 per hectare will be shared equally between Lonmin and Boynton.
- A Prospecting Contract was entered into on April 28, 2005 between Boynton and a BEE company, Sephaku, BHP and Samancor with respect to the property Annex Grootboom 335KT ("Annex Grootboom"). In terms of the agreement, Samancor as the holder of certain old order rights pertaining to Annex Grootboom 335KT and Scheiding 407KS (Scheiding), was obligated to apply for conversion of these rights under the provisions of the MPRDA. Subsequent to a conversion being granted, Samancor is obligated in terms of the agreement to transfer the rights to PGM's and all metals and minerals mineralogically associated therewith on Annex Grootboom and Scheiding (the "PGM rights"), to BHP.

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

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

- Sephaku has subsequently assigned all of its rights and obligations in terms of the aforementioned contract to Boynton.
- Pilanesberg Platinum Mines (Pty) Ltd ("PPM") entered into an agreement with engineering firm Dowding Reynard and Associates ("DRA") to implement the design and construction phase of the project. The total estimated value determined during the Bankable Feasibility Study ("BFS") of the project was ZAR1.5 billion which equated to \$203.6 million at an estimated exchange rate of ZAR7.20 at the time of the BFS. The remaining value with regards to this agreement as at November 30, 2008 is ZAR662 million which equates to \$65,674,603 at the closing rate of ZAR10.08.
- PPM also entered into a number of agreements with various suppliers to render services associated with the operating of the mine. The total fixed value of these agreements is ZAR4.3 billion (over a period of 5 years), which equates to \$428.7 million at the closing rate of ZAR10.08.
- Contingencies and commitments PPM entered into a firm commitment to purchase a 10MW diesel standby generator in order to allow for any future power shortages or disruptions to supply by the state power utility Eskom. The cost of installing the generator is estimated to be in the order of ZAR 180 million which equates to \$17,857,143 at the closing rate of ZAR10.08.

Platmin Limited

(A development stage company)

Notes to the Interim Consolidated Financial Statements

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

18. Minimum lease payments

Office rental	\$ 000
Less than 1 year	120
2 to 5 years	319
More than 5 years	0
	<u>439</u>

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

19. Segmented information

The Company operates in one geographic segment, South Africa, and one industry segment, exploration of precious metals properties, mainly platinum group elements. All assets (with the exception of cash balances) are held in South Africa.

Funds raised by the Company are held in USD, GBP, CAD and ZAR interest bearing accounts in the United Kingdom (12%) and South Africa (88%) until required by the operations.

20. Comparative amounts

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