

PLATMIN LIMITED

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

FOR THE YEAR ENDED FEBRUARY 28, 2007

May 25, 2007

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis ("MD&A") of Financial Condition and Results of Operations for the year ended February 28, 2007 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 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 MD&A is intended to supplement and compliment the audited consolidated financial statements of Platmin Limited for the year ended February 28, 2007 and the notes thereto (collectively, the "Financial Statements") which are expressed in United States dollars and prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). References to quarters are to financial quarters and not

calendar quarters unless otherwise stated.

Further, this MD&A should also be read in conjunction with the Company's final prospectus issued prior to its listing on August 10, 2006 and the technical reports prepared by qualified persons at RSG Global (Pty) Limited in accordance with NI 43-101. These documents can be found at www.sedar.com and at www.platmin.com.

2. *Overview*

Platmin is incorporated under the federal laws of Canada and its common shares are listed on the Toronto Stock Exchange ("TSX") and the AIM Market on the London Stock Exchange ("AIM"). The Company completed its initial public offering ("IPO") and listing on TSX and AIM simultaneously on August 10, 2006 and trade under the symbol "PPN" on both exchanges.

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 delivery of the full bankable feasibility study and financing on the Pilanesberg Project by the third quarter of calendar 2007, while progressing exploration, resource delineation and feasibility work on the other Key Projects.

3. *Selected Financial Information*

The table below sets forth selected financial data relating to the Company's financial years ended February 28, 2007 and February 28, 2006 in US\$'000 unless stated differently. The financial data is derived from the Company's audited consolidated financial statements, which are prepared in accordance with Canadian GAAP.

Period Ended	February 28, 2007	February 28, 2006
EARNINGS AND DEFICIT		
General and Administration	(8,027)	(5,000)
Research and Development costs	(169)	(171)
Exploration written off	(47)	(118)
Interest and other Income	1,205	138
Loss for the year	(7,038)	(5,151)
Loss per share in US\$	0.09	0.12

Weighted average # of shares	77,719,629	41,529,330
BALANCE SHEET		
Total Assets	85,461	40,629
Total Liabilities	4,528	1,596
Shareholders' Equity	80,933	39,033

4. Overall Performance

The Company recorded a net loss for the year ended February 28, 2007 of US\$7.04 million or US\$0.09 per share, compared with a net loss of US\$5.15 million for the year ended February 28, 2006 or US\$0.12 per share adjusted for the ten-for-one split at the Company's listing. The increased loss was principally the result of an increase in management fees, professional fees and corporate expenditure of the Company as a result of the activities required for the post exploration phase of the Pilanesberg project and the listing of the Company on the TSX and AIM markets during the second quarter of the current period as compared with the corresponding prior year period. The Company recorded no operational revenue in either of the two years but did record interest income on short term investments of US\$1.16 million for the year ended February 28, 2007 and US\$0.13 million for the prior year due to higher funds on deposit raised at the IPO.

The Company follows the practice of capitalizing all costs related to 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. For the year ended February 28, 2007, the Company's deferred exploration expense increased to US\$21.50 million from US\$13.79 million in the financial year ended February 28, 2006, of which US\$2.17 million was spent in the most recent quarter. The spending during the third 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 (pre-split), and during the financial year ended February 28, 2006 also received cash proceeds from the exercise of warrants and options in the financial year ended February 28, 2006 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 (pre-split). By February 27, 2006, the Company received US\$11.17 million for participation in the first round. During the current financial year, the Company's cash and cash equivalents increased from the US\$19.94 million held at February 28, 2006 to US\$43.41 million at February 28, 2007 mainly as a result of the proceeds from an Initial Public Offering on August 10, 2006, but also from the second and third rounds of the rights issue that was 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 bulk sample programs. It has no operating business segment and no revenue generating activities. Expenditures on exploration on mineral properties constitute the Company's 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.

5. *Selected Quarterly Information*

	Quarter Ended			
	Feb 28, 2007	Nov 30, 2006	Aug 31, 2006	May 31, 2006
Revenue	-	-	-	-
Loss for the period (US\$m)	1,886	2,289	952	1,911
Net loss per common share	0.02	0.02	0.01	0.03
	Feb 28, 2006	Nov 30, 2005	Aug 31, 2005	May 31, 2005
Revenue	-	-	-	-
Loss for the period (US\$m)	2,701	714	720	1,016
Net loss per common share	0.05	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.

6. *Results of Operations*

Quarter ended February 28, 2007 compared to the quarter ended February 28, 2006

There was no revenue in either quarter as the Company has no ongoing revenue generating operations or mineral production. Interest income of US\$0.49 million was recorded in the quarter ended February 28, 2007 compared to US\$0.03 million in the quarter ended February 28, 2006.

Administrative expenses totaled US\$2.39 million for the quarter ended February 28, 2007 compared to the corresponding prior year quarter amount of US\$2.61 million.

The loss for the quarter ended February 28, 2007 was US\$1.89 million compared with US\$2.70 million in the quarter ended February 28, 2006 principally as a result of the items discussed above.

A total of US\$2.17 million of deferred exploration expenditures was capitalized in the current quarter compared with US\$1.30 million in the prior year corresponding quarter.

The year ended February 28, 2007 compared to the year ended February 28, 2006

There was no revenue in either period as the Company did not have any revenue generating

operations or mineral production. Interest income of US\$1.16 million was earned in the year ended February 28, 2007 compared to US\$0.13 million in the prior year. 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.

Administrative expenses totaled US\$8.03 million in the year ended February 28, 2007 compared with US\$5.00 million incurred in the prior year. The largest expense increase was as 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. The increase in professional fees included costs related to the dual listing on the TSX and on AIM.

The loss for the year ended February 28, 2007 was US\$7.04 million compared to US\$5.15 million in the year ended February 28, 2006.

Deferred exploration expenditures of US\$7.72 million was recorded during the year ended February 28, 2007 as compared with US\$5.54 million in the prior year principally as a result of expenditure related to feasibility work carried out on the Pilanesberg project.

7. Results of Operations by Project

During the 2007 financial year, of the total exploration expenditures capitalized by the Company of US\$7.72 million 55% was spent on the Pilanesberg Project, 23% on the M'Phatlele project and 12% on the Grootboom Project. A summary of the expenditures by project along with proposed work programs is set out below.

8. Pilanesberg Project

Exploration activities at the Pilanesberg Project has increased annually since 2002 resulting in a continuous upgrading of the mineral resource identified on the project. The total exploration expenditure for the year was US\$4.26 million, bringing the Company's total expenditure since inception on this project to US\$14.32 million.

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 an environmental impact assessment with consummate base line environmental studies.

Work Program

Platmin has commenced with a Bankable Feasibility Study (“BFS”) using SRK Consulting as the independent consultant. It is anticipated the BFS will be completed in the second quarter 2007 and will be a feasibility study within the meaning of NI 43-101. This study will incorporate the results from the completed trial mining exercise on Tuschenkomst, pilot scale metallurgical test work and plant design, and geotechnical investigations for pit slope stability and the recently updated Mineral Resource estimates.

Platmin also plans to conduct further exploration in the Pilanesberg Project area focusing on: upgrading known Mineral 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; evaluating the underground potential from 150m to 500m below surface; and exploration of new areas which are currently under application.

Specialist studies to support the pre-feasibility 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 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 set out in the Technical Report for pre-engineering work, as such expenses would only be incurred on final plant design.

9. M'Phatlele Project

During the 2007 financial year, a total of US\$1.81 million was spent on the M'Phatlele project, bringing the cumulative amount of expenditure to US\$4.18 million on the project by the Company other than acquisition costs.

The focus of the work for the 2007 fiscal year included an accelerated drilling program to further evaluate the Merensky and UG-2 reefs from near surface to the 500m depth; extended drilling to confirm the presence of platiniferous reefs; bench – scale metallurgical and geotechnical test work; and the development of a 3D model of the ore bodies, geo-statistical resource estimates and the commencement of a pre-feasibility study.

Work Program

A further drilling program aimed at increasing confidence in the resource base to a depth of 1,000 meters and to demonstrate reef continuity to a depth of 1,500 meters is currently in progress with long hole capacity drill rigs on site.

The results of the 79 drillholes to the 500 meters depth completed as part of the first phase of Platmin's accelerated work program on the M'Phatlele property will form the basis of a resource revision and a pre-feasibility study currently underway with SRK Consulting.

Platmin plans to complete the second phase of the accelerated drilling program (announced on September 28, 2006) during the third quarter of calendar 2007. SRK Consulting has been engaged to estimate a revised mineral resource on M'Phatlele and to act as lead consultant for the pre-feasibility study with targeted completion in the third quarter of calendar 2007. Platmin aims to complete a feasibility study on the M'Phatlele Project during the fourth

quarter of calendar 2007.

10. Grootboom Project

During the 2007 financial year, the Company has spent US\$0.96 million on Grootboom Valley and Annex Grootboom, bringing the expenditure for the project to date to US\$1.97 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 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. An amount of US\$0.22 million was spent on Scheiding in the current year.

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% at the time.

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. 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

As mentioned in Platmin's announcement dated October 5, 2006, Platmin is concluding investigations into the development strategy for the Grootboom Project.

The Company has submitted an application to the DME to take a bulk sample for trial mining and metallurgical test work from Grootboom Hill. Platmin is also in the process of preparing an application for a mining right on the Grootboom 336KT property.

With the additional drilling completed in the Grootboom Valley Resources area a revised Mineral Resource estimate is currently underway with RSG Global. RSG will also investigate the Merensky Reef within the project area with a view to Mineral Resources delineation.

Pending the outcome of the Mineral Resource revisions, further exploration may be required in certain areas of the project to further upgrade Mineral Resources. This is likely to involve further drilling and/or 2D seismic surveys.

Platmin also has an exploration program planning to upgrade the inferred Mineral Resource on the tailings dam on the Grootboom property to a higher Mineral Resource category.

A prospecting right has been awarded to Platmin over the tailings dam on the Grootboom property. Floatation testwork has been completed and the possibility of processing the tailings dam is currently underway with a view to early cash flow.

In the near term, Platmin expects to complete the mineral resource upgrades followed by an integrated feasibility study.

Concurrent to the above work program, Platmin will also be preparing a Mining Right application for the Grootboom property.

11. 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 US\$0.30 million was spent by Platmin on the Loskop Project during the year ended February 28, 2007 bringing the total expenditure on the Project by Platmin to US\$0.42. This has mainly been on the 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 contributed US\$0.28 million over and above the payment of option monies paid in prior years to exploration expenses in the current financial year as Lonmin has completed its earn-in on certain identified portions of the project that will result in the formation of the first joint venture area.

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 sole funded solely by Lonmin. The work program on Loskop continues to focus on upgrading existing resources on Rietfontein and delineation of new mineral resources on De Wagendrift. Further exploration continues on other properties in the Loskop Project area.

Additional drilling which has been completed forms the basis of a revision of the mineral resource which is currently in progress. A “concept study” initiated late in 2006 to evaluate the potential of underground mining of the UMP on Rietfontein with a Pre-feasibility study including a bulk sample likely to follow.

It is anticipated that the concept study on Rietfontein will be completed shortly.

Lonmin continued its exploration program on De Wagendrift during 2007 working toward a mineral resource delineation

12. Liquidity and Capital Resources

“Cash and cash equivalents”- As at February 28, 2007, the Company had cash and cash equivalents of US\$43.41 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.

The Company’s principal requirements for cash over the next twelve months will be deferred exploration expenditures and expenditures related to the completion 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 2008 on all the projects is expected to be in the order of US\$15.84 million including all land access costs of US\$1.6 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\$6.62 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 February 29, 2008 financial year. It is not anticipated that the Company will need to raise additional cash during this period prior to a decision to proceed with construction related to developing the Pilanesberg Project to production and the decision to proceed with the feasibility study for Loskop which will include additional drilling, a bulk sample and further evaluation of the project. Pre-engineering costs prior to the commencement of construction at Pilanesberg for the supply of water and electricity and deposits for long lead items will require commitment prior to the capital raising for the project. If this is funded through existing cash on hand, the period mentioned above would be shortened by three months.

The construction of, and commencement of production from, the Pilanesberg Project, as well as the M’Phatlele Project and Grootboom Project, will require that the Company raise additional funds through debt or equity issuances. The estimated amount of such additional financing will not be determinable until 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.

"Shareholders' Equity"- In October 2005, warrants issued at US\$14.00 (pre-split) were exercised early at US\$12.60 (pre-split) 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 (pre-split) per share with a total of 733,154 common shares being issued, in the quarter ended May 31, 2006. Gross proceeds of US\$11.17 million were received prior to the financial year end on February 27, 2006. The remaining gross proceeds of US\$3.49 million were received during the first quarter of the financial year ended February 28, 2007, as mentioned.

On August 10, 2006, the Company issued 11,375,000 new common shares in an initial public offering for Cdn\$4.00 and GBP1.90, respectively, on the TSX and on AIM. On the same day, the Company converted 2,173,000 preference shares into common shares and implemented a ten-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\$6.07 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.

A total of 883,460 options were exercised under the Company's share incentive scheme raising US\$1,052,652. Finally, 17,063 broker compensation options issued at IPO were exercised, raising US\$60,232.

As at May 25, 2007, the Company had 93,802,813 common shares outstanding. At the end of

the year, the Company also had outstanding options which, if exercised in full, would raise an additional US\$15.22 million through the issuance of an additional 9,635,633 common shares.

“South African Exchange Control” 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 (a subsidiary) to Boynton amounted to US\$38.67 million at February 28, 2007, 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 would attract a further withholding tax on dividends paid.

“Vendor Financing of BEE partners”- 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 inter-company 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 in its own capacity 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 approximately US\$4.99 million (ZAR36.18 million) on behalf of its BEE partners relating to funds raised by way of cash calls of its subsidiaries, all by way of loan account, over the previous two fiscal periods (years ended February 28, 2006 and February 28, 2005) to date. All such amounts remain in inter-company loan accounts.

13. Off-Balance Sheet Arrangements

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

14. 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 in the process to consolidate the BEE interest in the Group.

15. Proposed Transactions

At the current time, there are no reportable proposed transactions.

During the previous 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 the Company's BEE partners. As mentioned above under the Grootboom Project the Company's main South African operating subsidiary Boynton Investments (Pty) Ltd ("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. The 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 has achieved the minimum 26% BEE ownership interest (required by April 30, 2014 onward) when the Department of Minerals and Energy approved an agreement to consolidate the Pilanesberg Project ownership structure. Through this transaction, Boynton issued 8% of its own shares for all the shares in Taung Minerals that it did not yet own, moving its effective holding from 54% to 100%. Taung Minerals is the vehicle that held the mineral rights to Tuschenkomst and Ruighoek properties.

16. Critical Accounting Estimates and Accounting Policies

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, 2007. 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 February 28, 2007, the Company had capitalized US\$21.50 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 year ended February 28, 2007 amounted to US\$2.22 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.

17. *Recent changes in accounting policies and initial adoption.*

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

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets to be measured at fair value subsequent to initial recognition;
- All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method;
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in the currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 “Hedging Relationships”, and the hedging guidance in Section 1650 “Foreign Currency Translation” by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

The Company is currently assessing the impact of these new standards on its consolidated financial statements.

18. 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.

19. Outstanding Share Data

Platmin has an unlimited number of authorized common shares without par value. At February 28, 2007, there were 93,802,813 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 consolidated financial statements.

Platmin has outstanding stock options to purchase common shares. As at February 28, 2007, there were options outstanding that are exercisable for 9,635,633 common shares. As at February 28, 2007, there were no warrants outstanding as the previously reported 2,000,000 warrants were exercised for 2,000,000 common shares.

20. 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 and specific risks with regards to the South African mining environment.

On May 1, 2004, the Mineral and Petroleum Resources Development Act (“MPRDA”) came into effect in South Africa. As a result of the MPRDA, the state has become the custodian of all mineral rights within the country and will issue prospecting and mining rights to parties on application.

Rights held as at May 1, 2004 are known as “old order” rights and must be lodged for

conversion into “new order” rights within a transition period being two years from May 1, 2004 for old order prospecting rights and five years from May 1, 2004 for old order mining rights. All applications for conversion of old order rights into new order rights have been submitted by the Company and conversions have been received for 13 of the Company’s 15 rights on its four most advanced projects.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Readers are urged to review the section titled “Risk Factors” appearing in Platmin’s previously filed prospectus and its AIF for the financial year ended February 28, 2007, which can be viewed at www.sedar.com.

21. Internal control over financial reporting

Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. It has directed efforts to improve internal control over financial reporting. This is a process designed to provide reasonable assurance regarding reliability of financial reporting and the preparation of consolidated statements for external reporting purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management has assessed the effectiveness of the Company’s internal control over financial reporting and concluded that the Company’s internal control over financial reporting was effective as of the end of the financial year ended February 28, 2007.

22. Environmental Matters

The Company conducts exploration on its Key Projects and prospects subject to mineral exploration permit applications made to and 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

total and were nominal amounts at fiscal year end 2006. During the first quarter of the period under review, the Company has applied for and placed a separate environmental bond with the DME of about US\$0.48 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.