PLATINUM GROUP METALS LTD

FORM 40-F
(Annual Report (foreign private issuer))

Filed 12/01/09 for the Period Ending 08/31/09

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SIC Code	1040 - Gold And Silver Ores
Industry	Metal Mining
Sector	Basic Materials
Fiscal Year	08/31

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

□ Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934

or

x Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended August 31, 2009 Commission File Number 001-33562

Platinum Group Metals Ltd.

(Exact name of registrant as specified in its charter)

British Columbia	1099	Not Applicable
(Province or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code)	(I.R.S. Employer Identification No.)

Bentall Tower 5
Suite 328 - 550 Burrard Street
Vancouver, BC
Canada V6C 2B5
(604) 899-5450
(Address and telephone number of registrant's principal executive offices)

DL Services Inc.
Columbia Center, 701 Fifth Avenue, Suite 6100
Seattle, WA 98104-7043
(206) 903-8800
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of Each Class:	Name of Each Exchange On Which Registered:
Common Shares, no par value	**NYSE Amex**

Securities registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this form:

x Annual Information Form x Audited Annual Financial Statements

At **August 31, 2009** , the Registrant had outstanding 92,815,667 common shares without par value.

Indicate by check mark whether the Registrant by filing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). If "Yes" is marked, indicate the filing number assigned to the Registrant in connection with such Rule. □ Yes x No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. x Yes □ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). □ Yes □ No

DOCUMENTS INCORPORATED BY REFERENCE

The annual information form ("AIF") of Platinum Group Metals Ltd. (the "Registrant" or the "Company") for the fiscal year ended August 31, 2009 is incorporated herein by reference.

The audited consolidated financial statements of the Company for the years ended August 31, 2009, 2008 and 2007, including the report of the auditors with respect thereto, are incorporated herein by reference. For a reconciliation of important differences between Canadian and United States generally accepted accounting principles, see Note 16 to the Company's audited consolidated financial statements.

The Company's management's discussion and analysis ("MD&A") for the year ended August 31, 2009 is incorporated herein by reference.

EXPLANATORY NOTE

The Company is a Canadian issuer eligible to file its annual report pursuant to Section 13 of the Exchange Act on Form 40-F. The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act. Accordingly, the Company's equity securities are exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3.

The Company is permitted, under a multi-jurisdictional disclosure system adopted by the United States, to prepare this annual report on Form 40-F in accordance with Canadian disclosure requirements, which are different from those of the United States.

The Company prepares its financial statements in accordance with Canadian generally accepted accounting practices ("GAAP"), and they may be subject to Canadian auditing and auditor independence standards. Accordingly, the financial statements of the Company incorporated by reference in this report may not be comparable to financial statements of United States companies. Significant differences between Canadian GAAP and United States GAAP are described in Note 16 to the audited consolidated financial statements of the Company incorporated by reference in this report.

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements concerning anticipated developments in the operations of the Company in future periods, planned exploration and development activities, the adequacy of the Company's financial resources and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as "expects," "anticipates," "believes," "intends," "estimates," "potential," "possible" and similar expressions, or statements that events, conditions or results "will," "may," "could" or "should" occur or be achieved. Information concerning the interpretation of drill results and mineral resource or reserve estimates also may be deemed to be forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those described in the AIF incorporated by reference in this report.

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made and the Company assumes no obligation to update such forward-looking statements in the future. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

DISCLOSURE CONTROLS AND PROCEDURES

The information provided under the heading "Disclosure Controls and Internal Control Over Financial Reporting" contained in the Company's MD&A is incorporated by reference herein.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The information provided under the heading "Disclosure Controls and Internal Control Over Financial Reporting" contained in the Company's MD&A is incorporated by reference herein.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

The information provided under the heading "Disclosure Controls and Internal Control Over Financial Reporting" contained in the Company's MD&A is incorporated by reference herein.

AUDIT COMMITTEE FINANCIAL EXPERT

The information provided under the heading "Directors and Officers – Audit Committee" contained in the Company's AIF is incorporated by reference herein.

INDEPENDENT ACCOUNTANTS' FEES

The information provided under the headings "Directors and Officers – Independent Auditor's Fees" and "Directors and Officers – Pre-Approval Policies and Procedures" contained in the Company's AIF is incorporated by reference herein.

CODE OF ETHICS

The information provided under the heading "Directors and Officers - Code of Ethics" contained in the Company's AIF is incorporated by reference herein.

OFF-BALANCE SHEET ARRANGEMENTS

The information provided "Discussion of Operations and Financial Conditions – Off-Balance Sheet Arrangements" contained in the Company's MD&A is incorporated by reference herein.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The following Table discloses the Company's contractual obligations for mineral property acquisition payments and office and equipment leases. The Company has no long term debt or loan obligations.

	Payments by period in Canadian Dollars				
Contractual Obligations	**Total**	**< 1 Year**	**1 – 3 Years**	**3 – 5 Years**	**> 5 Years**
Equalization amount due Anglo Platinum [1]	$26,600,000	$26,600,000	$0	$0	$0
Purchase price due Wesizwe Platinum [1]	$58,000,000	$58,000,000	$0	$ 0	$0
Past Exploration Costs due Wesizwe Platinum [1]	$2,144,000	$2,144,000	$0	$ 0	$0
Lease Obligations	$77,865	$66,009	$11,856	$0	$0
Totals	**$86,744,000**	**$86,810,009**	**$11,856**	**$ 0**	**$ 0**

[1] The requirement to pay and the due date of these items is dependent upon the effective date of the transaction announced September 2, 2008. The effective date is expected in late 2009. The Equalization amount is denominated in Rand and is estimated at Rand 191 million at year end. The Wesizwe purchase amount is also denominated in Rand and is set at Rand 408 million. The Past Exploration costs due to Wesizwe are set at US $2.0 million. See discussions at item 2. a) "Results of Operations" and item 2. d) "Exploration Programs and Expenditures" above and discussion below in this section.

For additional information related to the Company's contractual obligations and commitments, including certain optional property acquisition payments, see the information set forth under the heading "Liquidity and Capital Resources" contained in the Company's MD&A.

IDENTIFICATION OF THE AUDIT COMMITTEE

The information provided under the heading "Directors and Officers – Audit Committee Composition and Background" contained in the Company's AIF is incorporated by reference herein. The Company has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended.

UNDERTAKINGS

The Company undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or to transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Company has previously filed with the Commission a written consent to service of process and power of attorney on Form F-X. Any change to the name or address of the Company's agent for service shall be communicated promptly to the Commission by amendment to the Form F-X referencing the file number of the Company.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

PLATINUM GROUP METALS LTD.

/s/ R. Michael Jones
R. Michael Jones
President, Chief Executive Officer and Director

Date: November 30, 2009

EXHIBIT INDEX

The following documents are being filed with the Commission as exhibits to this annual report on Form 40-F.

Exhibit	Description
1.	Annual Information Form
2.	Audited Consolidated Financial Statements for the years ended August 31, 2009, 2008 and 2007, including the report of the auditors with respect thereto
3.	Management's Discussion and Analysis for the year ended August 31, 2009
4.	Certification of Chief Executive Officer as Required by Rule 13a-14(a) under the Exchange Act
5.	Certification of Chief Financial Officer as Required by Rule 13a-14(a) under the Exchange Act
6.	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
7.	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
8.	Consent of PricewaterhouseCoopers LLP
9.	Consent of Minxcon (Pty) Ltd.
10.	Consent of Turnberry Projects (Pty) Ltd.
11.	Consent of Wardrop Engineering Inc.

PLG:AMEX PTM:TSX

Platinum Group Metals Ltd.
(Exploration and Development Stage Company)

Consolidated Financial Statements
For the year ended August 31, 2009

Filed: November 30, 2009

A copy of this report will be provided to any shareholder who requests it.

To the Shareholders of Platinum Group Metals Ltd.

We have completed an integrated audit of Platinum Group Metals Ltd.'s 2009, 2008 and 2007 consolidated financial statements and of its internal controls over financial reporting as of August 31, 2009. Our opinions, based on our audits, are presented below.

Consolidated financial statements

We have audited the accompanying consolidated balance sheets of Platinum Group Metals Ltd. as of August 31, 2009 and 2008, and the related consolidated statements of operations and comprehensive income, shareholder's equity, and cash flows for each of the three years ended August 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit of the Company's financial statements in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. A financial statement audit also includes assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as at August 31, 2009 and 2008 and the results of its operations and its cash flows for each of the three years in the three year period ended August 31, 2009 in accordance with Canadian generally accepted accounting principles.

Internal control over financial reporting

We have also audited Platinum Group Metals Ltd.' internal controls over financial reporting as at August 31, 2009, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of August 31, 2009 based on criteria established in *Internal Control – Integrated Framework* issues by the COSO.

"Pricewaterhouse Coopers LLP"

Chartered Accountants
Vancouver, BC
November 23, 2009

Comments by Auditors for U.S. readers on Canada – U.S. Reporting Difference

In the United States, reporting standards for auditors require the addition of an explanatory paragraph (following the opinion paragraph) when there is a change in accounting principles that has a material effect on the comparability of the Company's financial statements, such as the change in accounting policy as described in note 4 to the consolidated financial statements. Our report to the shareholders dated November 23, 2009, is expressed in accordance with Canadian reporting standards which do not require a reference to such a change in accounting policy in the auditors' report when it is properly accounted for and adequately disclosed in the financial statements.

"Pricewaterhouse Coopers LLP"

Chartered Accountants
Vancouver, BC
November 23, 2009

Management's responsibility for the Financial Statements

The preparation and presentation of the accompanying consolidated financial statements, Management's Discussion and Analysis ("MD&A") and all financial information in the Annual Report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Financial statements, by nature are not precise since they include certain amounts based upon estimates and judgments. When alternative methods exist, management has chosen those it deems to be the most appropriate in the circumstances. The financial information presented elsewhere in the Annual Report is consistent with that in the consolidated financial statements.

Management, under the supervision of and the participation of the Chief Executive Officer and the Chief Financial Officer, have a process in place to evaluate disclosure controls and procedures and internal control over financial reporting as required by Canadian and U.S. securities regulations. We, as Chief Executive Officer and Chief Financial Officer, will certify our annual filings with the CSA and SEC as required in Canada by Multilateral Instrument 52-109 and in the United States as required by the Securities Exchange Act of 1934.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee which is independent from management.

The Audit Committee is appointed by the Board of Directors and reviews the consolidated financial statements and MD&A; considers the report of the external auditors; assesses the adequacy of our internal controls, including management's assessment described below; examines and approves the fees and expenses for the audit services; and recommends the independent auditors to the Board for the appointment by the shareholders. The independent auditors have full and free access to the Audit Committee and meet with it to discuss their audit work, our internal control over financial reporting and financial reporting matters. The Audit Committee reports its findings to the Board for consideration when approving the consolidated financial statements for issuance to the shareholders and management's assessment of the internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting.

Management has assessed the effectiveness of our internal control over financial reporting as of August 31, 2009 using criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of August 31, 2009.

R. Michael Jones
Chief Executive Officer

Frank Hallam
Chief Financial Officer

November 23, 2009

PLATINUM GROUP METALS LTD.
(An exploration and development stage company)
Consolidated Balance Sheets

(expressed in Canadian dollars)	**Aug. 31, 2009**	Aug. 31, 2008
ASSETS		
CURRENT		
Cash and cash equivalents	**$ 32,965,685**	$ 1,779,871
Available-for-sale securities (Note 4)	**2,135,002**	1,118,000
Amounts receivable (Note 3)	**344,538**	315,176
Due from WBJV partners (Note 5)	**988,880**	720,958
Due from JOGMEC partner (Note 6(a)(i))	**224,482**	-
Prepaid expenses and other assets	**50,812**	92,075
Total current assets	**36,709,399**	4,026,080
PERFORMANCE BONDS	**137,849**	126,376
INVESTMENT IN WBJV (Note 5)	**20,561,154**	18,894,625
MINERAL PROPERTIES (Note 6)	**6,057,034**	5,806,510
SURFACE RIGHTS (Note 7(b))	**3,240,282**	3,159,102
FIXED ASSETS (Note 7(a))	**365,079**	479,890
Total assets	**$ 67,070,797**	$ 32,492,583
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 11(a))	**$ 861,041**	$ 2,875,761
Total liabilities	**861,041**	2,875,761
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	**89,945,316**	55,359,342
Contributed surplus	**11,458,915**	3,781,843
Accumulated other comprehensive income	**(975,575)**	(2,268,847)
Deficit accumulated during the exploration		

and development stage	**(34,218,900)**	(27,255,516)
Total shareholders' equity	**66,209,756**	29,616,822
Total liabilities and shareholders' equity	**$ 67,070,797**	$ 32,492,583

CONTINGENCIES AND COMMITMENTS (NOTE 12)
SUBSEQUENT EVENTS (NOTE 17)

APPROVED BY THE DIRECTORS:

"Iain McLean"

Iain McLean, Director

"Eric Carlson"

Eric Carlson, Director

See accompanying notes to the consolidated financial statements.

For the year ended August 31, 2009

PLATINUM GROUP METALS LTD.

(An exploration stage company)

Consolidated Statements of Operations and Comprehensive Income

August 31, 2007 to August 31, 2009

(expressed in Canadian dollars)	**Year ended August 31, 2009**	Year ended August 31, 2008	Year ended August 31, 2007	Cumulative amount from March 16, 2000 to August 31, 2009 (unaudited)
EXPENSES				
Amortization	**$ 117,221**	$ 132,172	$ 125,046	$ 610,924
Annual general meeting	**67,530**	65,663	82,697	362,554
Filing and transfer agent fees	**122,976**	152,853	129,803	691,108
Foreign exchange (gain) loss	**(322,833)**	37,340	83,292	(104,301)
Insurance	**119,160**	105,844	62,469	381,874
Mineral property costs written off	**-**	-	1,323,222	6,430,293
Management and consulting fees	**1,112,706**	843,758	690,504	4,267,713
News releases, print and mailout	**42,974**	75,688	83,999	746,923
Office and miscellaneous	**201,680**	227,497	230,829	1,248,926
Professional fees	**1,082,643**	973,425	416,945	3,543,432
Promotion	**195,604**	214,524	193,296	1,032,881
Property investigations	**-**	170	950	129,374
Rent	**216,545**	184,094	133,822	874,031
Salaries and benefits	**1,615,361**	1,345,722	1,400,258	6,529,822
Shareholder relations	**299,397**	128,340	216,597	1,348,089
Stock compensation expense	**2,100,736**	580,128	1,487,661	5,696,922
Telephone	**87,141**	73,415	78,605	413,806
Travel	**568,413**	859,139	656,965	2,978,373
Recoveries	**(199,015)**	(243,895)	(205,410)	(1,539,864)
	(7,428,239)	(5,755,877)	(7,191,550)	(35,642,880)
Less interest earned	**139,548**	243,339	434,949	1,072,247
Loss before other items	**(7,288,691)**	(5,512,538)	(6,756,601)	(34,570,633)
Other items:				
Write-down of and equity loss in investment	**-**	-	-	429,275
Gain on sale of marketable securities	**-**	-	-	(47,682)
(Gain) Loss on sale of fixed assets	**(7,297)**	-	1,522	1,633
	(7,297)	-	1,522	383,226
Loss for the year before income taxes	**(7,281,394)**	(5,512,538)	(6,758,123)	(34,953,859)

Future income tax recovery	**318,010**	425,949	-	2,480,959
Loss for the period	**$ (6,963,384)**	$ (5,086,589)	$ (6,758,123)	$ (32,472,900)
Other comprehensive income				
Currency translation adjustment (Note 5)	**428,820**	(674,771)	(1,707,495)	(2,611,827)
Unrealized gain (loss) on marketable securities (Note 4)	**864,452**	(821,101)	-	43,351
Comprehensive loss for the period	**$ (5,670,112)**	$ (6,582,461)	$ (8,465,618)	$ (35,041,376)
Basic and diluted loss per common share	**$ (0.10)**	$ (0.08)	$ (0.12)	
Weighted-average number of common shares outstanding	**72,466,079**	61,978,849	58,042,450	

See accompanying notes to the consolidated financial statements.

PLATINUM GROUP METALS LTD.

(An exploration and development stage company)

Consolidated Statements of Shareholders' Equity

August 31, 2006, to August 31, 2009

(expressed in Canadian dollars)

	Common shares without par value					
	Shares	Amount	Contributed surplus	Accumulated other comprehensive income	Deficit accumulated during exploration & development stage	Total shareholders' equity
Balance, August 31, 2006	53,691,178	39,798,768	1,785,705	(658,381)	-15,410,804	25,515,288
Issued on exercise of warrants	6,333,194	11,454,791	-	-	-	11,454,791
Issued on exercise of stock options	914,375	892,557	(266,982)	-	-	625,575
Issued for mineral properties net of costs	50,000	227,742	-	-	-	227,742
Stock options granted	-	-	1,487,661	-	-	1,487,661
Translation adjustment	-	-	-	(1,707,495)	-	(1,707,495)
Net loss	-	-	-	-	(6,758,123)	(6,758,123)
Balance, August 31, 2007	60,988,747	52,373,858	3,006,384	(2,365,876)	-22,168,927	30,845,439
Transition adjustment (Note 4)	-	-	-	1,592,901	-	1,592,901
Issued on exercise of warrants	850,000	1,487,500	-	-	-	1,487,500
Issued on exercise of stock options	760,500	1,334,748	(512,924)	-	-	821,824
Issued for mineral properties net of costs	50,000	163,236	-	-	-	163,236
Stock options granted	-	-	1,288,383	-	-	1,288,383
Translation adjustment	-	-	-	(674,771)	-	(674,771)
Unrealized loss on AFS securities	-	-	-	(821,101)	-	(821,101)
Net loss	-	-	-	-	(5,086,589)	(5,086,589)
Balance, August 31, 2008	62,649,247	55,359,342	3,781,843	-2,268,847	-27,255,516	29,616,822
Issuance of common shares and warrants for cash	29,969,770	34,174,382	5,288,917	-	-	39,463,299
Issued on exercise of stock options	196,650	411,592	(129,952)	-	-	281,640
Stock options granted	-	-	2,518,107	-	-	2,518,107
Translation adjustment	-	-	-	428,820	-	428,820
Unrealized gain on AFS securities	-	-	-	864,452	-	864,452
Net loss	-	-	-	-	(6,963,384)	(6,963,384)
Balance, August 31, 2009	92,815,667	$ 89,945,316	$ 11,458,915	$ (975,575)	$ (34,218,900)	$ 66,209,756

See accompanying notes to the consolidated financial statements.

For the year ended August 31, 2009

PLATINUM GROUP METALS LTD.

(An exploration stage company)

Consolidated Statements of Cash Flows

August 31, 2007 to August 31, 2009

(expressed in Canadian dollars)

	Year ended August 31, 2009	Year ended August 31, 2008	Year ended August 31, 2007	Cumulative amount from March 16, 2000 to August 31, 2009 (unaudited)
OPERATING ACTIVITIES				
Loss for the year	**$ (6,963,384)**	$ (5,086,589)	$ (6,758,123)	$(32,472,900)
Add items not affecting cash				
Amortization	**117,221**	132,172	125,046	610,924
Loss on sale of fixed assets	**-**	-	1,522	8,930
Equity loss and write-down of investment	**-**	-	-	429,275
Future income tax recovery	**(318,010)**	(425,949)	-	(2,480,959)
Gain on sale of AFS securities	**-**	-	-	(47,682)
Mineral property costs written off	**-**	-	1,323,222	6,430,293
Finders fee received in shares (Note 4)	**-**	-	-	(100,000)
Gain on sale of mineral property	**-**	-	-	(240,000)
Non-cash stock compensation expense	**2,100,736**	580,128	1,487,661	5,696,922
Net change in non-cash working capital (Note 13(a))	**(355,301)**	252,810	138,111	90,076
	(5,418,738)	(4,547,428)	(3,682,561)	(22,075,121)
FINANCING ACTIVITIES				
Performance Bonds	**(11,473)**	(76,965)	(22,047)	(137,849)
Issuance of common shares	**39,744,939**	2,309,324	12,078,108	92,111,090
	39,733,466	2,232,359	12,056,061	91,973,241
INVESTING ACTIVITIES				
Costs to acquire New Millennium Metals	**-**	-	-	(231,325)
Acquisition of fixed assets	**(2,411)**	(240,609)	(257,770)	(981,239)
Acquisition cost of mineral properties	**(18,727)**	(41,881)	(112,439)	(1,598,413)
Acquisition of surface rights	**(1,953,180)**	(1,287,102)	-	(3,240,282)
Exploration expenditures, net of recoveries	**(231,797)**	(388,973)	(755,643)	(8,804,567)
Investment in and advances to WBJV	**(922,799)**	(8,615,562)	(2,645,382)	(22,087,414)
Investment in and advances to Active Gold Group Ltd.	**-**	-	-	(246,677)
Redemption/(acquisition) of short-term investments, net	**-**	2,000,000	(2,000,000)	-
Proceeds on sale of AFS securities	**-**	-	-	257,482
	(3,128,914)	(8,574,127)	(5,771,234)	(36,932,435)
Net increase (decrease) in cash and cash equivalents	**31,185,814**	(10,889,196)	2,602,266	32,965,685
Cash and cash equivalents, beginning of year	**1,779,871**	12,669,067	10,066,801	-
Cash and cash equivalents, end of year	**$ 32,965,685**	$ 1,779,871	$ 12,669,067	$ 32,965,685

See accompanying notes to the consolidated financial statements.

1. NATURE OF OPERATIONS

The Company is a British Columbia corporation incorporated on February 18, 2002 by an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation ("New Millennium"). The Company is an exploration and development company conducting work on mineral properties it has staked or acquired by way of option agreements in Ontario, Canada and the Republic of South Africa.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and include the significant policies outlined below.

(a) *Basis of presentation and principles of consolidation*

The financial statements of entities which are controlled by the Company through voting equity interest, referred to as subsidiaries, are consolidated. Variable interest entities ("VIEs"), which include, but are not limited to, special purpose entities, trusts, partnerships and other legal structures, as defined by the Accounting Standards Board in Accounting Guideline 15, "Consolidation of Variable Interest Entities", are entities in which equity investors do not have the characteristics of a "controlling financial interest" or there is not sufficient equity at risk for the entity to finance its activities without additional subordinated financial support. VIEs are subject to consolidation by the primary beneficiary who will absorb the majority of the entities' expected losses and/or residual returns. The Company does not currently have any VIEs.

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Platinum Group Metals (RSA) (Pty) Ltd. ("PTM RSA") and in turn its wholly-owned subsidiary Wesplats Holdings (Proprietary) Limited ("Wesplats"). PTM RSA holds mineral rights and conducts operations in the Republic of South Africa. Wesplats owns surface rights areas overlying and adjacent to mineral rights held by PTM RSA and on behalf of the Company. All significant intercompany balances and transactions have been eliminated upon consolidation.

The Company's 37% working interest in the WBJV (Note 5) is accounted for as an investment in the WBJV.

(b) *Mineral properties, surface rights, and deferred exploration and development costs*

Mineral properties consist of exploration and mining concessions, options, contracts and certain surface rights. Surface rights that have no associated mineral title and which are owned by the Company outright are shown separately. Acquisition and leasehold costs, exploration costs and surface rights are capitalized until such time as the property is put into production or disposed of either through sale or abandonment. Development expenditures incurred subsequent to the establishment of economic recoverability and upon receipt of project development approval from the Board of Directors are capitalized and included in the carrying amount of the related property. If put into production, the costs of acquisition, exploration and development will be amortized over the life of the property based on estimated economic reserves. If a property is abandoned, the property and deferred exploration costs are written off to operations.

Management of the Company reviews and evaluates the carrying value of each mineral property and its investment in the WBJV for impairment regularly. Where estimates of future net cash flows are available and the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is recognized and assets are written down to fair value. Where estimates of future net cash flows are not available, management assesses whether the carrying value can be recovered by considering alternative methods of determining fair value. When it is determined that a mineral property is impaired it is written down to its estimated fair value.

(c) *Cash and cash equivalents*

Cash and cash equivalents consist of cash and short-term deposits, which are readily convertible to cash and have original maturities of 90 days or less.

(d) *Reclamation and closure costs*

The Company recognizes the estimated fair value of liabilities for asset retirement obligations including reclamation and closure costs in the period in which they are incurred. A corresponding increase to the carrying amount of the related asset is recorded and amortized over the life of the asset. The liability is adjusted for changes in estimate at each reporting period and is accreted over time to the estimated asset retirement obligation ultimately payable through charges to operations.

The estimates are based principally on legal and regulatory requirements. It is possible that the Company's estimates of its ultimate reclamation and closure liabilities could change as a result of changes in regulations, the extent of environmental remediation required, changes in technology and the means and cost of reclamation. Based on management's estimates, the Company has determined that there are no significant reclamation liabilities as at year end.

(e) *Income taxes*

Future income taxes relate to the expected future tax consequences of differences between the carrying amount of balance sheet items and their corresponding tax values. Future tax assets, if any, are recognized only to the extent that, in the opinion of management, it is more likely than not that the future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment or substantive enactment.

(f) *Fixed assets*

Fixed assets are recorded at cost and are amortized at the following annual rates:

Computer equipment and software	30% declining balance
Office furniture and equipment	20% declining balance
Vehicles	30% declining balance
Leasehold improvements	2 years straight line

(g) *Short-term investments*

Short-term investments comprise guaranteed investment certificates with original maturities of more than 90 days and less than one year.

(h) *Earnings (loss) per common share*

Basic earnings (loss) per common share are calculated using the weighted average number of common shares outstanding.

The Company uses the treasury stock method for the calculation of diluted earnings per share. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. In periods when a loss is incurred, the effect of potential issuances of shares under options and share purchase warrants would be anti-dilutive, and accordingly basic and diluted loss per share are the same.

(i) *Measurement uncertainty*

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of expenditures during the reporting period. Significant items where management's judgement is applied include the assessment of impairment of long-lived assets, amortization, income tax provisions, contingent liabilities, stock-based compensation and asset retirement obligations. Actual results could differ from those estimates.

(j) *Translation of foreign currencies*

These consolidated financial statements are expressed in Canadian dollars. For integrated foreign operations, monetary assets and liabilities are translated at year end exchange rates and other assets and liabilities are translated at historical rates. Revenues, expenses and cash flows are translated at average exchange rates. Gains and losses on translation of monetary assets and monetary liabilities are charged to operations.

The investment in the WBJV is translated at year end exchange rates, and revenues and expenses are translated at average exchange rates. Differences arising from these foreign currency translations are recorded in shareholders' equity in accumulated other comprehensive income until they are realized by a reduction in the investment.

(k) *Stock-based compensation*

The fair values for all stock-based awards are estimated using the Black-Scholes model and recorded in operations over the period of vesting. The compensation cost related to stock options granted is recorded in operations or capitalized to the investment in WBJV or mineral properties, as applicable.

Cash received on exercise of stock options is credited to share capital and the amount previously recognized in contributed surplus is reclassified to share capital.

(l) *Changes in accounting policies*

On September 1, 2008, the Company adopted the following new presentation and disclosure standards that were issued by the Canadian Institute of Chartered Accountants. These standards were adopted on a prospective basis without restatement of prior periods.

(i) Section 1400, *General Standards of Financial Statement Presentation,* outlines the premise that in the preparation of financial statements all information required for fair presentation in accordance with generally accepted accounting principles should be included. It also specifies the requirements for assessing an entity's ability to continue as a going concern and disclosing any material uncertainties that cast doubt on its ability to continue as a going concern. The Company's disclosure reflects such assessment.

(ii) Section 1535 *, Capital Disclosures,* establishes disclosure requirements regarding an entity's capital, including (i) an entity's objectives, policies, and processes of managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any externally imposed capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Company has included disclosures required by Section 1535 in these consolidated financial statements.

(iii) Sections 3862, *Financial Instruments - Disclosures* and Section 3863 *Financial Instruments - Presentation* , replace Section 3861 Financial Instruments – Disclosure and Presentation. These new sections revise and enhance disclosure requirements while leaving presentation requirements unchanged. 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. The Company has included the required disclosures in these consolidated financial statements.

(iv) Credit Risk and the Fair Value of Financial Assets and Financial Liabilities ("EIC-173"): In January 2009, the CICA issued Emerging Issues Committee ("EIC") Abstract 173 - Credit Risk and the Fair Value of Financial Assets and Financial Liabilities ("EIC-173"). EIC-173 provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC-173 is applicable for the Company's annual consolidated financial statements for its fiscal year ending August 31, 2009, with retroactive application. The adoption of EIC-173 did not result in a material impact on the Company's consolidated financial statements.

(v) Mining Exploration Costs ("EIC-174"): In March 2009, the CICA issued EIC Abstract 174 - Mining Exploration Costs ("EIC-174") which supersedes EIC Abstract 126 - Accounting by Mining Enterprises for Exploration Costs ("EIC-126"), to provide additional guidance for mining exploration enterprises on the accounting for capitalization of exploration costs and when an impairment test of these costs is required. EIC 174 is applicable for the Company's annual consolidated financial statements for its fiscal year ending August 31, 2009, with retroactive application. The adoption of EIC – 174 did not result in a material impact on the Company's consolidated financial statements.

(m) Financial instruments

The Company's financial instruments are comprised primarily of cash and cash equivalents, available-for-sale (AFS) securities, amounts receivable, amounts due from JOGMEC partner, amounts due from WBJV partners, performance bonds, and accounts payable and accrued liabilities.

Cash and cash equivalents are recognized at their fair value. AFS securities are recorded in the financial statements at fair value; and the carrying value of all other financial instruments approximate their fair values due to their short-term maturity or their capacity of prompt liquidation.

(n) Income Statement Presentation of Tax Loss Carryforward

Effective August 31, 2008, the Company adopted EIC-172, "Income Statement Presentation of a Tax Loss Carryforward Recognized Following an Unrealized Gain in Other Comprehensive Income". This abstract provides guidance on whether the tax benefit from the recognition of previously unrecognized tax loss carryforwards consequent to the recording of unrealized gains in other comprehensive income, such as unrealized gains on available-for-sale financial assets, should be recognized in net income or in other comprehensive income. The abstract should be applied retrospectively, with restatement of prior periods from September 1, 2007, the date of adoption of CICA Handbook Section 3855, "Financial Instruments – Recognition and Measurement". Refer to note 4.

(o) New accounting pronouncements

Section 3064, *Goodwill and Intangible Assets* , replaces Section 3062, *Goodwill and Other Intangible Assets* and Section 3450, *Research and Development Costs* . In February 2008, the CICA issued the new pronouncement establishing revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and startup costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. Section 3064 has had no impact on the consolidated financial position or results of operations for the year.

Section 1582, *Business combination, Section 1601 Consolidated financial statements and Section 1602 Non-controlling interests.* These sections replace the former CICA 1581, Business Combinations and CICA 1600, Consolidated Financial Statements and establish a new section for accounting for a non-controlling interest in a subsidiary. These sections provide the Canadian equivalent to FASB Statements No. 141 (R), Business combinations and No. 160 Non-controlling Interests in Consolidated Financial Statements. CICA 1582 is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after September 1, 2011. CICA 1601 and CICA 1602 apply to interim and annual consolidated financial statements relating to years beginning on or after September 1, 2011.

Section 3855 was amended during the year to (i) change the categories into which a debt instrument is required or permitted to be classified; (ii) change the impairment model for held-to-maturity financial assets to the incurred credit loss model; and (iii) require reversal of previously recognized impairment losses on available-for-sale financial assets in specified circumstances. These amendments apply to annual financial statements for years beginning on/after November 1, 2008.

Section 3855 was also amended to add guidance concerning the assessment of embedded derivatives upon reclassification of a financial asset out of the held-for-trading category. These amendments apply to reclassifications made on/after July 1, 2009. There has been clarification on the application of the effective interest method after a debt instrument has been impaired, this amendment was effective on issue in June 2009. The Company expects that the amendment will not have significant effect on the Company's financial position, results of operations or cash flows.

In June 2009, Handbook Section 3862 was further amended to include additional disclosures about fair value measurements of financial instruments and to enhance liquidity risk disclosure. The additional fair value measurement disclosures include classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

* Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
* Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
* Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

These amendments are required to be adopted for fiscal years ending after September 30, 2009, but early adoption is permitted. The Company expects that the amendment will not have significant effect on the Company's financial position, results of operations or cash flows.

3. AMOUNTS RECEIVABLE

	Aug 31, 2009	Aug. 31, 2008
Expenditure advances receivable	**$3,581**	$11,444
Due from related parties (Note 11 (b) and (c))	**17,172**	2,816
Goods and services tax recoverable	**37,160**	104,943
South African value added tax ("VAT") recoverable	**272,973**	195,973
Interest receivable	**13,652**	-
	$344,538	$315,176

4. AVAILABLE-FOR-SALE SECURITIES

The Company had the following marketable securities accounted for as available-for-sale.

August, 31, 2009	**Number of Shares**	**Cost ($)**	**Accumulated Unrealized Gains ($)**	**Fair Value ($)**
MAG Silver Corp.	100,000	50,000	445,000	495,000
West Timmins Mining Inc.	800,001	160,000	1,480,002	1,640,002
Total Marketable Securities		**210,000**	**1,925,002**	**2,135,002**

August 31, 2008	Number of Shares	Cost ($)	Accumulated Unrealized Gains ($)	Fair Value ($)
MAG Silver Corp.	100,000	50,000	740,000	790,000
West Timmins Mining Inc.	800,001	160,000	168,000	328,000
Total Marketable Securities		210,000	908,000	1,118,000

On September 1, 2007, pursuant to adoption of the new CICA Handbook Section 3855 *Financial Instruments – Recognition and Measurement,* the Company recorded an adjustment to increase the carrying value of marketable securities by $1,874,001 with a corresponding adjustment to accumulated other comprehensive income less the future income tax adjustment of $281,100. The adjustment represents the after-tax unrealized gain on available-for-sale marketable securities held by the Company at September 1, 2007.

During the year ended August 31, 2009 after an adjustment of future income tax of $152,550 (2008 - future income tax recovery of $144,900) the Company recognized an unrealized gain of $864,452 (2008 - unrealized loss of $821,101) on marketable securities designated as available-for-sale instruments in other comprehensive income.

Both of the above marketable securities are related parties of the Company, as discussed in Note 11.

5. INVESTMENT IN WESTERN BUSHVELD JOINT VENTURE (THE "WBJV")

	Aug. 31, 2009	**Aug. 31, 2008**
Opening Balance	$21,935,272	$14,779,302
Additional investment	1,237,709	7,155,970
Balance before translation	23,172,981	21,935,272
Translation adjustment	(2,611,827)	(3,040,647)
Ending Balance	$20,561,154	$18,894,625

Details of the assets of the WBJV, excluding the property rights contributed by the other venture partners, are as follows:

	Aug. 31, 2009	Aug. 31, 2008
Acquisition and Capital costs		
Balance, beginning of period	$ 4,675,587	$ 2,190,657
Incurred during period	3,561	2,484,930
Translation adjustment	(482,626)	(538,146)
Balance, end of period	$ 4,196,522	$ 4,137,441
Deferred exploration costs		
Balance, beginning of period	$ 36,656,854	$ 21,782,427
Assays and geochemical	39,172	565,945
Drilling	200,619	4,315,197
Geological and Engineering	1,222,606	4,953,901
Geophysical	142,153	3,696,316
Site administration	122,575	202,622
Stock compensation	582,832	998,004
Travel	39,251	142,442
	39,006,062	36,656,854
Translation adjustment	(2,129,201)	(2,502,501)
Balance, end of period	$ 36,876,861	$ 34,154,353
Less other partners' interest	(20,512,229)	(19,397,169)
Investment in WBJV	$ 20,561,154	$ 18,894,625

Expenditures in the WBJV were principally being incurred in Rand and funded by advances from the venturers which were denominated in Rand. The Company therefore considers its equity investment in the WBJV to be self sustaining and it translates its share of net equity of WBJV using the current rate method with translation gains and losses included in accumulated other comprehensive income as a separate component of shareholders' equity.

On October 26, 2004 the Company entered into the Western Bushveld Joint Venture (the "WBJV") with a subsidiary of Anglo Platinum Limited ("Anglo Platinum") and Africa Wide Mineral Prospecting and Exploration (Pty) Limited ("Africa Wide") to pursue platinum exploration and development on combined mineral rights covering approximately 67 square kilometres on the Western Bushveld Complex of South Africa. The transaction closed effective January 26, 2005. The Company contributed all of its interests in portions of the farms Onderstepoort 98JQ and Elandsfontein 102JQ. Anglo Platinum contributed its interests in portions of the farms Koedoesfontein 94JQ, Elandsfontein 102JQ and Frischgewaagd 96JQ. Later, in 2007, Anglo Platinum contributed its 50% interest in Portion 11 of the farm Frischgewaagd bringing the total area of the WBJV to approximately 72 square kilometres. The Company and Anglo Platinum each held a 37% working interest in the WBJV, while Africa Wide held a 26% working interest. The area of the WBJV was comprised of three functional areas described as Project 1 (100% WBJV), Project 2 (50% WBJV: 50% Wesizwe Platinum Ltd.) and Project 3 (100% WBJV). In April 2007 the shareholders of Africa Wide sold 100% of their company to Wesizwe Platinum Ltd ("Wesizwe") and since then Wesizwe has become responsible for all of the rights and obligations of Africa Wide.

The Company is the operator of the WBJV. From October 2004 to April 2006 the Company funded an earn-in exploration program in the amount of Rand 35 million (at August 31, 2005 approx. C$6.44 million). Since then the partners of the WBJV have funded expenditures pro-rata based upon their working interest in the Joint Venture. At August 31, 2009 the Company recorded outstanding receivables of $988,880 due from Anglo Platinum ($576,468 or Rand 4.091 M) and Africa Wide ($412,412 or Rand 2.927 million) for work completed on the WBJV.

The Company published a Feasibility Study for Project 1 of the WBJV on July 7, 2008. Based on the WBJV resource estimate prepared for that Feasibility Study, and under the terms of the original WBJV agreement, the respective deemed capital contribution of each party was to be credited by adding an equalization amount calculated upon their contribution of measured, indicated, and inferred ounces of combined platinum, palladium, rhodium and gold ("4E") from the contributed properties comprising the WBJV, determined in accordance with the South African Mineral Resource Committee ("SAMREC") code. Inferred ounces were to be credited at US$0.50 per ounce, indicated ounces at US$3.20 per ounce and measured ounces at US$6.20 per ounce. Ounces contributed to the WBJV by Anglo Platinum in 2007 from a 50% interest in Portion 11 of the Farm Frischgewaagd 96 JQ were to receive an equalization credit of US$0.62 per inferred ounce, US$10.37 per indicated ounce and US$39.55 per measured ounce. The Company's equalization amount, including an interest charge since January 1, 2009, payable to the credit of Anglo Platinum is calculated at approximately $27 million, subject to Canadian dollar exchange rates to the Rand and eight month average exchange rates for the US dollar to the Rand at November 15, 2009.

On September 2, 2008 the Company announced an agreement in principle to consolidate and rationalize the ownership of the WBJV. On December 8, 2008 the Company announced the execution of definitive agreements formalizing the earlier announcement. Under the terms of the agreement Anglo Platinum will vend its entire 37% interest in the WBJV to Wesizwe for common shares representing approximately a 26.5% interest in Wesizwe. The Company will concurrently acquire a 37% interest in Projects 1 and 3 from Wesizwe in consideration of its 18.5% interest in Project 2 and Rand 408 million in cash (approximately $57.0 million at November 15, 2009). This will bring the Company's interest in Projects 1 and 3 to 74% while at the same time eliminating its holdings in Project 2. The cash payment to Wesizwe will be deferred until nine months after the effective date of the transaction and will then be held in escrow to be applied towards Wesizwe's capital requirements for the Projects 1 and 3. The effective date will occur upon the completion of conditions precedent and the transfer and registration of mineral titles between the parties by the Department of Mineral Resources in South Africa. The effective date is expected in late 2009. Should the Company not make the payment due to Wesizwe on time Wesizwe may elect to claw back approximately 19.0% percent of Projects 1 and 3, reducing the Company's interest to approximately 55%.

Under the terms of the December 8, 2008 agreement the equalization amount due to Anglo Platinum by the Company will become payable on the effective date of the definitive agreements, discussed above. In the event the Company does not make the equalization payment on the date required, Anglo Platinum may elect to extend the payment deadline for six months, with interest, or they may elect to take payment in common shares of Wesizwe, at which point the right to accept the equalization payment would transfer to Wesizwe.

6. MINERAL PROPERTIES

Year ended August 31, 2009

	South Africa						
	Tweespalk	War Springs	Other	LDI River	Shelby Lake	South Legris	Total
Acquisition costs							
of mineral rights							
Balance, beginning of year	$ 52,037	$ 134,358	$ 2,692	$ 598,571	$ 313,864	$ 60,000	$ 1,161,522
Incurred during period	7,958	10,140	629	-	-	-	18,727
Less amounts written off	-	-	-	-	-	-	-
Balance, end of period	$ 59,995	$ 144,498	$ 3,321	$ 598,571	$ 313,864	$ 60,000	$ 1,180,249
Deferred exploration costs							
Assays and geochemical	$ -	$ 88,570	$ 14,539	$ 1,458	$ 2,453	$ 7,531	$ 114,551
Drilling	-	434,764	-	-	47,566	47,566	529,896
Geological	777	160,620	82,625	3,655	13,083	13,083	273,843
Maps, fees and licenses	-	-	-	-	67	-	67
Site administration	157	130,174	428	-	-	-	130,759
Travel	-	17,740	85	-	-	-	17,825
	934	831,868	97,677	5,113	63,169	68,180	1,066,941
Balance, beginning of year	891,201	2,235,318	573,552	358,642	500,518	85,757	4,644,988
Recoveries	-	(795,926)	(39,218)	-	-	-	(835,144)
Balance, end of period	$ 892,135	$ 2,271,260	$ 632,011	$ 363,755	$ 563,687	$ 153,937	$ 4,876,785
Total Mineral Properties	$ 952,130	$ 2,415,758	$ 635,332	$ 962,326	$ 877,551	$ 213,937	$ 6,057,034

Year ended August 31, 2008

	South Africa						
	Tweespalk	War Springs	Other	LDI River	Shelby Lake	South Legris	Total
Acquisition costs							
of mineral rights							
Balance, beginning of year	$ 34,658	$ 115,433	$ 1,673	$ 595,532	$ 312,345	$ 60,000	$ 1,119,641
Incurred during year	17,379	18,925	1,019	3,039	1,519	-	41,881
Less amounts written off	-	-	-	-	-	-	-
Balance, end of year	$ 52,037	$ 134,358	$ 2,692	$ 598,571	$ 313,864	$ 60,000	$ 1,161,522
Deferred exploration costs							
Assays and geochemical	$ -	$ 20,492	$ -	$ 8,286	$ 3,026	$ -	$ 31,804
Drilling	-	-	-	81,778	59,730	-	141,508
Geological	13,666	42,598	334,617	6,488	4,188	1,653	403,210
Maps, fees and licenses	-	-	1,724	81	-	-	1,805
Site administration	4,388	3,814	3,012	-	-	-	11,214
Travel	3,887	5,543	1,030	812	-	-	11,272
	21,941	72,447	340,383	97,445	66,944	1,653	600,813
Balance, beginning of year	1,081,100	2,162,871	233,169	261,197	433,574	84,104	4,256,015
Recoveries	(211,840)	-	-	-	-	-	(211,840)
Balance, end of year	$ 891,201	$ 2,235,318	$ 573,552	$ 358,642	$ 500,518	$ 85,757	$ 4,644,988
Total Mineral Properties	$ 943,238	$ 2,369,676	$ 576,244	$ 957,213	$ 814,382	$ 145,757	$ 5,806,510

(a) Republic of South Africa

(i) War Springs and Tweespalk

On June 3, 2002, the Company acquired an option to earn a 100% interest in the 2,396 hectare War Springs property and the 2,177 hectare Tweespalk property both located in the Northern Limb or Platreef area of the Bushveld Complex north of Johannesburg. The Company now holds New Order prospecting permits on 100% of this territory. Acquisition and exploration costs on these properties to August 31, 2009 total $3,367,888.

The Company can settle the vendors' residual interests in these mineral rights at any time for US$690 per hectare. The Company pays annual prospecting fees to the vendors of US$3.25 per hectare. The vendors retain a 1% NSR Royalty on the property, subject to the Company's right to purchase the NSR at any time for US$1.4 million. A 5% finders' fee applies to vendor payments.

Black Economic Empowerment groups Africa Wide, a subsidiary of Wesizwe Platinum Ltd. and Taung Minerals (Pty) Ltd., a subsidiary of Platmin Limited, have each acquired a 15% interest in the Company's rights to the War Springs project carried to bankable feasibility. The Company retains a net 70% project interest. Africa Wide also has a 30% participating interest in the Tweespalk property.

On March 5, 2009 the Company announced an agreement with the Japan Oil, Gas and Metals National Corporation ("JOGMEC"), an incorporated administrative institution of the Government of Japan, whereby they may earn up to a 35% interest in the Company's rights to the War Springs project for an optional work commitment of US$10 million over 5 years. The first year firm commitment is US$500,000 and to August 31, 2009 approximately $795,926 of work has been funded or approved for work on this project by JOGMEC. At August 31, 2009 an amount of $224,482 was receivable from JOGMEC for work completed under approved work programs and this amount was subsequently received.

(ii) *Other*

During 2009 the Company acquired by staking various prospecting permits in South Africa including the Sable Joint Venture project area on the Western Limb of the Bushveld Complex west of Pretoria and the Waterburg project area on the far Northern Limb of the Bushveld Complex.

(b) *Ontario, Canada*

(i) *Lac des Iles ("LDI") River*

On May 5, 2000, the Company entered into an option agreement to acquire a 50% interest in the Lac des Iles River property located near Thunder Bay, Ontario in exchange for cash payments ($43,500 paid in total) and the completion of exploration expenditures. On October 6, 2006, the Company and the property vendors entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property subject only to underlying 2.0% Net Smelter Return Royalties. In settlement the Company made a one-time payment to the vendors of $50,000 in lieu of past and future exploration expenditure commitments not incurred.

(ii) South Legris

In April 2000, and later as amended in January 2005, the Company acquired an option to earn a 50% interest in the South Legris property located near Thunder Bay, Ontario in exchange for cash payments ($105,000 paid in total) and the completion of certain exploration expenditures. On October 13, 2006, the Company and the property vendors entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property subject only to underlying 2.0% Net Smelter Return Royalties. In settlement the Company made a one-time payment of $50,000 in lieu of past and future exploration expenditure commitments not incurred.

(iii) Shelby Lake

On June 28, 2000, the Company entered into an option agreement to earn up to 60% interest in the Shelby Lake property, located near Thunder Bay, Ontario in exchange for cash payments of $15,000 (paid), issue 30,303 shares (issued) and complete $500,000 in exploration expenditures over a four-year period. On October 18, 2006, the Company and the property vendor entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property for a one-time payment of $5,000 subject only to an underlying 2.0% Net Smelter Return Royalty, of which the Company may buy back one half for $500,000.

(c) Title to mineral properties

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.

7. FIXED ASSETS

(a) Equipment, Leaseholds and Vehicles

	August 31, 2009		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment and software	**$495,049**	**$337,386**	**$157,663**
Leasehold improvements	**38,642**	**28,423**	**10,219**
Office furniture and equipment	**257,445**	**112,977**	**144,468**
Vehicles	**85,818**	**33,089**	**52,729**
	$876,954	**$511,875**	**$365,079**

	August 31, 2008		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment and software	$495,723	$307,833	$187,890
Leasehold improvements	64,726	37,537	27,189
Office furniture and equipment	263,882	99,203	164,679
Vehicles	118,332	18,200	100,132
	$942,663	$462,773	$479,890

(b) *Surface Rights*

The Company acquired the surface and mineral rights to 365.64 hectares of the farm Elandsfontein 102 JQ in exchange for total payments of approximately $1.4 million. These properties were contributed to the WBJV under the terms of the original WBJV agreement and the Company's cost for these properties is included in its deferred costs for the WBJV.

During the year ended August 31, 2008 the Company purchased surface rights adjacent to the WBJV Project 1 deposit area measuring 216.27 hectares for an amount of Rand 8.0 million (approx. C$1.09 million). During the 2008 year the Company also entered into a legally binding agreement for the purchase of surface rights directly over a portion of the WBJV Project 1 deposit area measuring 358.79 hectares for an amount of Rand 15.07 million (approx. C$2.07 million). Prior to August 31, 2008 the Company paid a 10% deposit of Rand 1.507 million (approx. C$0.20 million) for this property and the balance of Rand 13.562 million (approx. C$1.953 million) was accrued as a payable at August 31, 2008 and later paid in March 2009 to initiate statutory registration of the surface rights in the Company's name. The rights to these two properties are to the benefit of the Company only and are distinct from the 365.64 hectare Elandsfontein Farm held for the benefit of the WBJV as described above.

8. SHARE CAPITAL

(a) *Authorized*

Unlimited common shares without par value

(b) *Issued and outstanding*

At August 31, 2009 there were 92,815,667 shares outstanding.

During the year ended August 31, 2009:

(i) the Company closed a brokered placement on June 16, 2009 for gross proceeds of $35,002,020 upon the issue of 24,999,300 units at a price of $1.40 per unit. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant of the Company. $29,713,103 of the gross proceeds were assigned to the common shares included in the units and $5,288,917 to the warrants. Each warrant entitles the holder thereof to purchase one common share at an exercise price of $1.75 per warrant for 18 months from the closing date. The Company paid the underwriters a fee of $2,100,121 representing 6% of the aggregate gross proceeds of the offering. Other issue costs which included filing fees to the TSX and NYSE Alternext, other underwriters' expenses, and legal fees to lawyers totaled $746,681. Net proceeds for the financing totaled $32,155,218.

(ii) the Company closed a non-brokered private placement on October 3 and October 7, 2008 for $7,611,229 upon the issue of 4,910,470 common shares at a price of $1.55 per share. A finders' fee of $186,000 in cash and a further 60,000 shares at the offering price was paid in respect of certain of the subscriptions. Other issue costs which included filing fees to the TSX and NYSE Alternext, and legal fees to lawyers totaled $117,148. Net proceeds for the financing totaled $7,308,081.

(iii) 196,650 stock options were exercised for proceeds of $281,640.

During the year ended August 31, 2008:

(iv) 850,000 share purchase warrants were exercised for proceeds of $1,487,500 and 760,500 stock options were exercised for proceeds of $821,824.

(v) the Company issued 50,000 common shares in connection with the acquisition of mineral properties at a fair value of $165,500. A filing fee of $2,264 related to this issue of shares was paid by the Company.

During the year ended August 31, 2007:

(vi) 6,333,194 share purchase warrants were exercised for proceeds of $11,454,791 and 914,375 stock options were exercised for proceeds of $625,575.

(vii) the Company issued 50,000 common shares in connection with the acquisition of mineral properties at a fair value of $230,000. A filing fee of $2,258 related to this issue of shares was paid by the Company.

(c) Incentive stock options

The Company has entered into Incentive Stock Option Agreements ("Agreements") with directors, officers and employees. Under the terms of the Agreements, the exercise price of each option is set at a minimum, at the fair value of the common shares at the date of grant. Stock options granted to certain employees, directors and officers of the Company vest on average at an amount of 25% per six month period, while others vest immediately.

The following tables summarize the Company's outstanding stock options:

Exercise Price	Number Outstanding at August 31, 2009	Weighted Average Remaining Contractual Life (Years)	Number Exercisable at August 31, 2009
1.00	1,103,625	0.47	1,103,625
1.05	37,500	0.92	37,500
1.40	1,387,000	4.95	1,387,000
1.50	9,500	1.36	9,500
1.60	1,492,000	4.13	1,492,000
1.85	175,000	1.98	175,000
1.95	50,000	4.43	50,000
2.27	10,000	4.44	10,000
2.57	885,000	2.38	885,000
4.15	150,000	3.15	112,500
4.40	850,000	3.15	637,500
	6,149,625	3.16	5,899,625

The weighted average exercise price of the exercisable options at year end was $1.95.

Total compensation cost related to non-vested awards not yet recognized is $156,425 and is expected to be recognized over a weighted-average period of 0.15 years.

	Number of Shares	Weighted Average Exercise Price
Options outstanding at August 31, 2007	3,545,375	1.56
Granted	1,367,500	4.23
Exercised	(760,500)	1.08
Forfeited	(294,500)	2.18
Options outstanding at August 31, 2008	3,857,875	$ 2.56
Granted	3,279,000	1.52
Exercised	(196,650)	1.43
Forfeited	(790,600)	2.54
Options outstanding at August 31, 2009	6,149,625	$ 2.04

During the year ended August 31, 2009 the Company granted 3,279,000 stock options to employees (2008 – 1,367,500). The Company has recorded $2,518,108 ($2,100,736 expensed and $417,371 capitalized to the WBJV) of compensation expense relating to stock options granted or vested in this year (2008 - $1,288,383 ($580,128 expensed and $708,255 capitalized to the WBJV)). Cash received from the exercise of stock options during the year ended August 31, 2009 was $281,640 (2008 - $821,824).

The Company used the Black-Scholes model to determine the grant date fair value of stock options granted. The following weighted average assumptions were used in valuing stock options granted during the year:

	2009	2008
Risk-free interest rate	**2.59**	4.08
Expected life of options	**3.21**	3.32
Annualized volatility	**77.97**	64.04
Dividend rate	**0.00%**	0.00%

(d) Share purchase warrants

During the year 12,537,150 purchase warrants were issued at $1.75 as a part of the placement on June 16, 2009. These warrants have an expiry date of December 16, 2010. None of the warrants have been exercised.

9. CAPITAL RISK MANAGEMENT

The Company's objectives in managing its liquidity and capital are to safeguard the Company's ability to continue as a going concern and provide financial capacity to meets its strategic objectives. The capital structure of the Company consists of equity attributable to common shareholders, contributed surplus, accumulated other comprehensive income and accumulated deficit.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary based on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company does not currently declare or pay out dividends.

As at August 31, 2009, the Company does not have any long-term debt and is not subject to any externally imposed capital requirements.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and other price risks.

(a) Credit risk

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

(i) Trade credit risk

The Company is an exploration and development company, and has not yet commenced commercial production or sales. Therefore, the Company is not exposed to significant trade credit risk.

(ii) Cash and cash equivalents

In order to manage credit and liquidity risk we invest only in term deposits with Canadian Chartered banks that have maturities of three months or less. Limits are also established based on the type of investment, the counterparty and the credit rating.

(iii) *Due from WBJV partners and due from Jogmec partner*

In order to manage credit risk management regularly reviews amounts outstanding from partners and considers recoverability.

(b) Liquidity risk

The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements and its exploration and development plans. The annual budget is approved by the Board of Directors.

Future exploration, development, mining, and processing of minerals from the Company's properties will require additional financing. The Company has no credit facilities in place at this time, although it is currently evaluating possible debt financing. The only other current source of funds available to the Company is the issuance of additional equity capital, which if available, may result in substantial dilution to existing shareholders. There is no assurance that such funding will be available to the Company, or that it will be obtained on terms favourable to the Company. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development, or production on any or all of the Company's properties, or even a loss of property interests.

(c) Currency risk

The Company's functional currency is the Canadian dollar, while its operations are in both Canada and South Africa; therefore the Company's net earnings (losses) and other comprehensive earnings (losses) are impacted by fluctuations in the value of foreign currencies in relation to the Canadian dollar. The Company's significant foreign currency exposures on financial instruments comprise cash and cash equivalents, performance bonds, due from WBJV partners, and accounts payable and accrued liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

The Company's net loss and other comprehensive loss are affected by changes in the exchange rate between its operating currencies and the Canadian dollar. Based on this exposure a 10% change in the Canadian dollar versus Rand foreign exchange rate would give rise to a change in the loss and comprehensive loss for the period of approximately $140,000 and $2,000,000 respectively.

(d) Interest rate risk

The Company's interest revenue earned on cash and cash equivalents and on short term investments is exposed to interest rate risk. Based on this exposure a 1% change in the average interest rate would give rise to an increase/decrease in the loss for the period of approximately $329,657.

(e) Other price risks

The Company is exposed to equity price risk as a result of holding marketable securities in other exploration and mining companies (see Note 4). These available for sale equities are valued at their fair market values as at the balance sheet date, with any unrealized gain or loss recorded in other comprehensive income or loss for the period.

11. RELATED PARTY TRANSACTIONS

Transactions with related parties are as follows:

(a) During the year, $460,967 (2008 - $524,807) were paid to directors for salary, consulting and Director's fees. At August 31, 2009, $45,308 was included in accounts payable (2008 - $75,000).

(b) The Company received $135,951 (2008 - $135,895) during the year from MAG Silver Corp. ("MAG"), a company with two directors in common and an officer in common. Amounts receivable at the end of the year includes an amount of $4,404 (2008 - $1,819 due from MAG). The Company has been notified by MAG that this agreement will be terminated with effect at December 31, 2009.

(c) During the year the Company accrued or received payments of $38,000 (2008 – $108,000) from West Timmins Mining Inc. ("WTM"), a company with three directors in common and an officer in common, for administrative services. Amounts receivable at the end of the year includes an amount of $12,768 (2008 - $997 due from WTM). The Company has been notified by WTM that this agreement will be terminated with effect at December 15, 2009 due to the amalgamation by plan of arrangement between Lakeshore Gold and WTM.

(d) The Company entered into an office lease agreement with Anthem Works Ltd. ("Anthem"), a company with a director in common in 2005. During the year ended August 31, 2009 the Company accrued or paid Anthem $86,849 under the office lease agreement (2008 - $88,382).

All amounts in Amounts receivable and Accounts payable owing to or from related parties are non-interest bearing with no specific terms of repayment.

These transactions are in the normal course of business and are measured at the exchange amount, which is the consideration established and agreed to by the noted parties.

12. CONTINGENCIES AND COMMITMENTS

The Company's remaining minimum payments under its office and equipment lease agreements, which it has entered into for the years ending on August 31, as well as PTM RSA's commitments, are as follows:

August 31, 2010	66,009
August 31, 2011	10,162
August 31, 2012	1,694
	$ 77,865

13. SUPPLEMENTARY CASH FLOW INFORMATION

Net change in non-cash working capital

	Year Ended Aug. 31, 2009	Year Ended Aug. 31, 2008	Year Ended Aug. 31, 2007
Amounts receivable	$(253,844)	$103,401	$(69,073)
Prepaid expenses and other	41,263	(6,620)	(21,308)
Accounts payable	(142,720)	156,029	228,492
	$(355,301)	$252,810	$138,111

14. SEGMENTED INFORMATION

The Company operates in one operating segment, that being exploration on mineral properties. Segmented information presented on a geographic basis follows:

Assets

	August 31, 2009	August 31, 2008
Canada	**$37,143,005**	$4,878,509
South Africa	**29,927,793**	27,614,075
	$67,070,798	$32,492,584

Substantially all of the Company's capital expenditures are made in the South African geographical segment.

Results of Operations

	Year Ended Aug. 31, 2009	Year Ended Aug. 31, 2008	Year Ended Aug. 31, 2007
Canada	$ (5,478,509)	$ (3,464,337)	$ (5,056,329)
South Africa	(1,484,875)	(1,622,252)	(1,701,794)
	$ (6,963,384)	$ (5,086,589)	$ (6,758,123)

15. INCOME TAXES

The provision for income taxes reported differs from the amounts computed by applying statutory Canadian federal and provincial tax rates to the loss before tax provision due to the following:

	2009	2008
Statutory tax rates	**30.17%**	32%
Recovery of income taxes computed at statutory rates	**$2,203,883**	$1,775,959
Changes in valuation allowance	**(864,210)**	(683,415)
Effect of lower tax rates in foreign jurisdictions	**(32,699)**	(66,007)
Non-deductible expenses	**(638,247)**	(195,057)
Other	**(350,717)**	(405,531)
Future income tax recovery	**$318,010**	$425,949

The approximate tax effect of the temporary differences that gives rise to the Company's future income tax assets and liability are as follows:

	2009	2008
Future income tax assets		
Operating loss carryforwards	**$4,298,432**	$3,460,884
Fixed assets	**55,063**	45,435
Mineral properties and investment in WBJV	**4,346,454**	3,117,271
Share issuance costs	**691,422**	117,802
	9,391,371	6,741,392
Valuation allowance on future income tax assets	**(8,647,412)**	(6,315,443)
	$ 743,959	$ 425,949
Future income tax liability		
Investment in WBJV	**(455,209)**	(289,749)
Marketable securities	**(288,750)**	(136,200)
	$ (743,959)	**$ (425,949)**
	$ -	**$ -**
Movement for the year		
Investment in WBJV	**(165,460)**	(289,749)
Marketable securities	**(152,550)**	(136,200)
	$ (318,010)	**$ (425,949)**

At August 31, 2008, the Company has non-capital loss carry forwards available to offset future taxable income in Canada of $17 million, which expire at various dates from 2010 to 2029.

16. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

These consolidated financial statements have been prepared in accordance with Canadian GAAP, which differs in certain respects from US GAAP. The significant differences between Canadian and US GAAP affecting the Company's consolidated financial statements are summarized as follows:

Consolidated Balance Sheets

	Aug. 31, 2009	Aug. 31, 2008
Total assets under Canadian GAAP	$ 67,070,797	$ 32,492,583
Decrease due to lower investment in WBJV (a)	(16,578,389)	(16,257,714)
Decrease in mineral properties due to expensing of exploration costs (b)	(4,876,785)	(4,644,988)
Total assets under US GAAP	$ 45,615,623	$ 11,589,881
Total liabilities under Canadian GAAP and US GAAP	$ 861,041	$ 2,875,761
Shareholders' equity under Canadian GAAP	66,209,756	29,616,822
Cumulative mineral properties adjustment for WBJV (a)	(18,760,215)	(18,760,215)
Cumulative mineral properties adjustment (b)	(4,876,785)	(4,644,988)
Cumulative translation adjustment (a)	2,181,826	2,502,501
Shareholders' equity under US GAAP	44,754,582	8,714,120
Total liabilities and shareholders' equity under US GAAP	$ 45,615,623	$ 11,589,881

Consolidated Statements of Operations

	Year ended August 31, 2009	Year ended August 31, 2008	Year ended August 31, 2007	Cumulative from March 16, 2000 to August 31, 2009 (unaudited)
Net loss under Canadian GAAP	**$(6,963,384)**	$(5,086,589)	$(6,758,123)	$(32,472,900)
Mineral property costs written off	-	-	1,101,649	4,101,556
Adjustment for exploration expenditures incurred in WBJV (a)	-	(5,881,821)	(3,625,104)	(18,470,466)
Exploration expenditures (b)	**(231,797)**	(388,973)	(755,643)	(8,978,341)
Future income taxes - marketable securities (c)	**(152,550)**	(136,200)	-	(288,750)
Future income taxes - stock based compensation (d)	-	(289,749)	-	(1,427,844)
Other historical differences	-	-	-	673,605
Net loss under US GAAP	**$(7,347,731)**	$(11,783,332)	$(10,037,221)	$(56,863,140)
Basic and diluted loss per common share under US GAAP	**$ (0.10)**	$ (0.19)	$ (0.17)	

Consolidated Statements of Cash Flows

	Year ended August 31, 2009	Year ended August 31, 2008	Year ended August 31, 2007	Cumulative from March 16, 2000 to August 31, 2009 (unaudited)
Operating activities				
Operating activities under Canadian GAAP	**$ (5,418,738)**	$ (4,547,428)	$ (3,682,561)	$ (22,075,121)
Deferred exploration (a)(b)	**(231,797)**	(7,594,871)	(4,587,470)	(27,394,957)
Operating activities under US GAAP	**$ (5,650,535)**	$ (12,142,299)	$ (8,270,031)	$ (49,470,078)
Financing activities				
Financing activities under Canadian and US GAAP	**$ 39,733,466**	$ 2,232,359	$ 12,056,061	$ 91,973,241
Investing activities				
Investing activities under Canadian GAAP	**$ (3,128,914)**	$ (8,574,127)	$ (5,771,234)	$ (36,932,435)
Deferred exploration (a)(b)	**231,797**	7,594,871	4,587,470	27,394,957
Investing activities under US GAAP	**$ (2,897,117)**	$ (979,256)	$ (1,183,764)	$ (9,537,478)

(a) Investment in WBJV

Under Canadian and US GAAP the Company accounts for its working interest in the WBJV as an investment in the WBJV. Under Canadian GAAP these expenditures are capitalized to the investment in WBJV. Under US GAAP, exploration expenditures on mineral property costs can only be deferred subsequent to the establishment of mining reserves as defined under SEC regulations.

As disclosed in Note 5 the Company published a Feasibility Study for the WBJV late in the 2008 fiscal year. The study defined mining reserves and, as a consequence, exploration and development costs relating to this investment have since been deferred under US GAAP, since September 1, 2008. The carrying amount, however, is affected by foreign exchange translation.

(b) Exploration expenses

Canadian GAAP allows exploration costs to be capitalized during the search for a commercially mineable body of ore if the Company considers such costs to have the characteristics of fixed assets. Under US GAAP, exploration expenditures on mineral property costs can only be deferred subsequent to the establishment of mining reserves as defined under SEC regulations. For US GAAP purposes the Company has expensed exploration expenditures in the period incurred. The Company believes that these cash expenditures under US GAAP are also more appropriately classified as cash operating activities as they were funded by the Company in the respective periods.

(c) Marketable securities

Prior to September 1, 2007, the accounting for the Company's marketable securities was different under US GAAP compared with the accounting under Canadian GAAP. Effective September 1, 2007, the Company adopted CICA Section 3855, *Financial Instruments,* which requires financial instruments to be carried in the financial statements at fair value. The Company accounts for marketable securities as available for sale financial instruments and carries them at fair value which is consistent with US GAAP. However, the accounting for future income taxes with respect to the fair value adjustments is different under Canadian and US GAAP. Under Canadian GAAP, the Company recorded a future income tax liability of $281,100 with a corresponding amount recorded to accumulated other comprehensive income. Offsetting this, under Canadian GAAP the Company adjusted the valuation allowance for future income tax assets by $281,100 and recorded a future income tax recovery of $281,100 in the statement of operations. Under US GAAP, the adjustment to the valuation allowance would have been recorded to accumulated other comprehensive income.

During the year ended August 31, 2009, increases in the fair value of the Company's marketable securities resulted in increases in the future tax liability of $152,550 and required the Company to increase its valuation allowance for future income tax assets and accordingly the Company recorded income tax expense of $152,550 (2008: income tax recovery of $136,200) for Canadian GAAP purposes in the statement of operations. For US GAAP purposes the Company recorded an adjustment to increase future tax expense by $152,550 (2008: increase future tax expense by $136,200) with a corresponding decrease to other comprehensive income.

SFAS No. 130, *Reporting Comprehensive Income* , requires that an enterprise report, by major components and as a single total, the change in its net assets during the period from non-owner sources. The impact of SFAS No. 130 on the Company's financial statements is as follows:

	Year ended August 31, 2009	Year ended August 31, 2008	Year ended August 31, 2007
Net loss under US GAAP	**$ (7,347,731)**	$ 1,783,332)	$(10,037,221)
Other comprehensive income (loss):			
Unrealized gain (loss) on marketable securities	**1,017,002**	966,001)	1,520,001
Translation adjustment	**108,145**	(76,208)	(349,437)
Comprehensive net loss under US GAAP	**$ (6,222,584)**	$ 2,825,541)	$ (8,866,657)

(d) *Future income taxes on stock based compensation*

Under Canadian GAAP an income tax recovery is recorded in the statement of operations when eligible stock based compensation is capitalized against an asset, with the corresponding entry recorded against the asset. However, under US GAAP, the Company expenses all exploration expenditure prior to establishing mining reserves, including stock based compensation (refer to note 16(a) above for further discussion). Therefore, any income tax recovery recorded under Canadian GAAP is derecognized for US GAAP purposes until mining reserves are established.

(e) *Fair Value Measurements*

In September 2006, FASB issued SFAS No. 157, "Fair Value Measurement" to define fair value, establish a framework for measuring fair value and to expand disclosures about fair value measurements. The statement only applies to fair value measurements that are already required or permitted under current accounting standard and is effective for fiscal years beginning after November 15, 2007. SFAS 157 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The adoption of SFAS 157 for financial instruments as required at September 1, 2008 did not have a material effect on the company's results of operations or financial position. The company will adopt SFAS 157 for non financial assets and non-financial liabilities on September 1, 2009, as required. The Company is currently assessing the impact of SFAS No. 157 on its future disclosures.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159") including an amendment of FASB Statement No. 115. This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of this Statement apply only to entities that elect the fair value option. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years, and was applicable beginning in the Company's first quarter ended November 30, 2008. The adoption of SFAS 159 did not have a material impact on the Company's results.

(f) Impact of Recent United States Accounting Pronouncements

(i) FASB Accounting Standard Codification ("ASC") No. 805, Business Combinations ("ASC 805")

ASC 805, *Business Combinations* improves the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial reports about a business combination and its effects. This Statement establishes principles and requirements for how the acquirer recognizes and measures the identifiable assets acquired, liabilities assumed, and any noncontrolling interest in the acquiree; recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. This Statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008 **.** Since ASC 805 will only be applicable to future business combinations, it will not have a significant effect on the Company's financial position, results of operations or cash flows prior to such acquisitions.

(ii) FASB Accounting Standard Codification ("ASC") No. 810, Consolidation ("ASC 810")

In December 2007, the FASB issued ASC 810, " *Consolidation* ". ASC 810 establishes accounting and reporting standards for the non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary. This Standard clarifies that a non-controlling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. ASC 810 changes the way the consolidated earnings (loss) statement is presented by requiring consolidated net earnings (loss) to be reported including the amounts attributable to both the parent interest and the non-controlling interest. The Standard requires disclosure on the face of the consolidated statement of operations of the amounts of consolidated net earnings (loss) attributable to the parent interest and to the non-controlling interest. ASC 810 is effective for fiscal periods, and interim periods within those fiscal years, beginning on or after December 15, 2008. The Company expects that the adoption of ASC 810 will not have significant effect on the Company's financial position, results of operations or cash flows.

(iii) FASB Accounting Standard Codification ("ASC") No. 815, Derivatives and Hedging ("ASC 815")

The FASB issued ASC 815, *Derivatives and Hedging* , which revises disclosure requirements for derivative instruments and hedging activities. It requires disclosure by sellers of credit derivatives, including credit derivatives embedded in a hybrid instrument and requires an additional disclosure about the current status of the payment/performance risk of a guarantee. The Standard is effective for financial statements issued for years beginning after November 15, 2008 and interim periods within those years. The company is currently assessing the impact of ASC 815 on its future disclosures.

(iv) FASB Accounting Standard Codification ("ASC") No. 855, Subsequent events ("ASC 855")

The FASB issued ASC 855, *Subsequent events* , which establishes general standards of accounting for, and disclosure of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. This Standard is effective for interim or annual periods ending after June 15, 2009 and its adoption had no impact on the Company's financial statements.

(v) FASB Accounting Standards Codification ("ASC") No. 105, Generally Accepted Accounting Principles ("ASC 105")

The FASB issued ASC 105, *Generally Accepted Accounting Principles* , which identifies the source of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities presented in conformity with US GAAP. It is effective for interim and annual periods ending after September 15, 2009. The adoption of this Standard will be applied prospectively.

(vi) FSAB Accounting Standards Codification ("ASC") 825, Financial Instruments ("ASC 825")

The FASB issued ASC 825, *Financial Instruments* , which requires disclosures about fair value of financial instruments in interim financial statements of public companies (rather than just annually), and requires those disclosures in summarized financial information at interim periods. ASC 825 is effective for periods ending after June 15, 2009. The adoption of this Standard had no significant impact of the Company's financial statements.

(vii) FSAB Accounting Standards Codification ("ASC") 325 – Investments – Other ("ASC 325")

ASC 325, *Investments – Other* , is effective for interim and annual reporting periods ending after December 15, 2008. The goal is to achieve a more consistent determination of whether an other-than-temporary impairment has occurred and reemphasizes the objective of an other-than-temporary impairment assessment and the related disclosure requirements in ASC 815. The adoption of this Standard had no impact on the Company's results of operations and financial position.

(viii) *FSAB Accounting Standards Codification ("ASC") 820 – Fair Value Measurements and Disclosures ("ASC 820")*

This Standard provides additional guidance to highlight and expands on the factors that should be considered in estimating fair value when there has been a significant decrease in market activity for a financial asset. The Standard is effective for interim and annual periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. In the period of adoption, a reporting entity must disclose any changes in valuation techniques and related inputs resulting from the application of this Standard, and quantify the total effect of the change in valuation techniques and related inputs, if practicable, by major category. The adoption of this Standard had no impact on the Company's results of operations and financial position.

(ix) *FSAB Accounting Standards Codification ("ASC") 320 – Investments – Debt and Equity disclosures ("ASC 320")*

ASC 320 changed (1) the method for determining whether an other-than-temporary impairment exists for debt securities and (2) the amount of an impairment charge to be recorded in earnings. The Standard is effective for interim and annual periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. In the period of adoption, an entity must provide the disclosures required by FASB Statement No. 154, *Accounting Changes and Error Corrections,* for changes in accounting principles. The adoption of this Standard had no impact on the Company's results of operations and financial position.

(g) *Development stage enterprise*

The Company meets the definition of a development stage enterprise under Statement of Financial Accounting Standards (SFAS) No. 7, Accounting and Reporting by Development Stage Enterprises. The following additional disclosures are required under U.S. GAAP:

Consolidated summarized statements of operations and cash flows since March 16, 2000, the date the Company commenced operations.

Consolidated operations:

	Period from March 16, 2000 (inception) to August 31, 2009
Exploration expenditures incurred in WBJV	$ 18,470,466
Exploration expenditures	8,978,341
General administrative, salaries and other	29,414,333
Ending deficit, August 31, 2009	$ 56,863,140

Consolidated cash flows:

	Period from March 16, 2000 (inception) to August 31, 2009
Operating activities	$ (49,470,078)
Investing activities	(9,537,478)
Financing activities	91,973,241
Cash and cash equivalents - August 31, 2009	$ 32,965,685

	Common shares without par value Amount	Obligation to issue shares	Flow-through special warrants Amount	Contributed surplus	Accumulated other comprehensive income	Deficit accumulated during exploration & development stage	Total shareholders' equity
Issued for cash	$ 89,000	$ -	$ 521,000	$ -	$ -	$ -	$ 610,000
Issued for mineral properties	-	20,000	-	-	-	-	20,000
Net Loss	-	-	-	-	-	(270,435)	(270,435)
Balance, August 31, 2000	89,000	20,000	521,000	-	-	(270,435)	359,565
Issued for cash	1,356,532	-	1,107,771	-	-	-	2,464,303
Issued upon exercise of share purchase warrants	1,100	-	-	-	-	-	1,100
Issued for mineral properties	57,050	(17,400)	-	-	-	-	39,650
Issued upon exercise of special warrants	521,000	-	(521,000)	-	-	-	-
Issued upon exercise of flow through special warrants	1,107,771	-	(1,107,771)	-	-	-	-
Stock options granted	-	-	-	1,250	-	-	1,250
Net loss	-	-	-	-	-	(960,202)	(960,202)
Balance at August 31, 2001	3,132,453	2,600	-	1,250	-	(1,230,637)	1,905,666
Issuance of common shares for cash	1,951,135	-	-	-	-	-	1,951,135
Issued for mineral properties	36,509	(2,600)	-	-	-	-	33,909
Issued toacquire New Millennium Metals	1,310,385	-	-	-	-	-	1,310,385
Unrealized loss on marketable securities	-	-	-	-	(18,450)	-	(18,450)
Stock options granted	-	-	-	428,747	-	-	428,747
Net loss	-	-	-	-	-	(2,466,754)	(2,466,754)
Balance at August 31, 2002	6,430,482	-	-	429,997	(18,450)	(3,697,391)	3,144,638
Issuance of flow-through common shares for cash	678,589	-	-	-	-	-	678,589
Issuance of common shares for cash	1,411,342	-	-	-	-	-	1,411,342
Issued on exercise of mineral property option	200,062	-	-	-	-	-	200,062
Issued on exercise of warrants	233,389	-	-	-	-	-	233,389
Issued on exercise of stock options	35,075	-	-	-	-	-	35,075
Issued for mineral properties	16,140	-	-	-	-	-	16,140
Unrealized gain (loss) on marketable securities	-	-	-	-	66,000	-	66,000
Stock options granted	-	-	-	(63,406)	-	-	(63,406)
Tax effect of flow-through shares issued	-	-	(177,203)	-	-	-	(177,203)
Net loss	-	-	-	-	-	(2,580,499)	(2,580,499)
Balance at August 31, 2003	9,005,079	-	(177,203)	366,591	47,550	(6,277,890)	2,964,127
Issuance of flow-through common shares for cash	1,267,200	-	-	-	-	-	1,267,200
Issuance of common shares for cash	3,226,590	-	-	-	-	-	3,226,590
Issued on exercise of warrants	1,428,406	-	-	-	-	-	1,428,406
Issued on exercise of stock options	59,200	-	-	-	-	-	59,200
Issued for mineral properties	3,600	-	-	-	-	-	3,600
Unrealized gain (loss) on marketable securities	-	-	-	-	262,072	-	262,072
Stock options granted	-	-	-	218,391	-	-	218,391
Tax effect of flow-through shares issued	-	-	(85,398)	-	-	-	(85,398)
Net loss	-	-	-	-	-	(4,766,913)	(4,766,913)
Balance at August 31, 2004	14,990,075	-	(262,601)	584,982	309,622	(11,044,803)	4,577,275
Issuance of flow-through common shares for cash	259,901	-	-	-	-	-	259,901
Issuance of common shares for cash	5,441,078	-	-	-	-	-	5,441,078
Issued on exercise of warrants	2,272,462	-	-	-	-	-	2,272,462
Issued on exercise of stock options	521,873	-	-	(13,022)	-	-	508,851
Issued for mineral properties	28,000	-	-	-	-	-	28,000
Unrealized gain (loss) on marketable securities	-	-	-	-	(289,000)	-	(289,000)
Stock options granted	-	-	-	109,434	-	-	109,434
Tax effect of flow-through shares issued	-	-	(52,061)	-	-	-	(52,061)
Net loss	-	-	-	-		(8,112,593)	(8,112,593)
Balance at August 31, 2005	23,513,389	-	(314,662)	681,394	20,622	(19,157,396)	4,743,347
Issuance of common shares for cash	14,898,656	-	-	-	-	-	14,898,656
Issued on exercise of warrants	1,181,305	-	-	-	-	-	1,181,305
Issued on exercise of stock options	165,418	-	-	(47,670)	-	-	117,748
Issued for mineral properties	40,000	-	-	-	-	-	40,000
Translation adjustment	-	-	-	-	(658,380)		(658,380)
Unrealized gain (loss) on marketable securities	-	-	-		333,375	-	333,375
Stock options granted	-	-	-	160,376	-	-	160,376
Tax effect of flow-through shares issued	-	-	(80,755)	-	-	-	(80,755)
Net loss	-	-	-	-	-	(8,537,460)	(8,537,460)
Balance, August 31, 2006	39,798,768	-	(395,417)	794,100	(304,383)	(27,694,856)	12,198,212
Issued on exercise of warrants	11,454,791	-	-	-	-	-	11,454,791
Issued on exercise of stock options	892,557	-	-	(266,982)	-	-	625,575
Issued for mineral properties net of costs	227,742	-	-	-	-	-	227,742
Unrealized loss on marketable securities					1,520,001		1,520,001
Stock options granted	-	-	-	1,487,660	-	-	1,487,660
Translation adjustment	-	-	-	-	196,444		196,444
Tax effect of flow-through shares issued	-	-	105,514	-	-	-	105,514

Net loss	-	-	-	-	-	(10,037,221)	(10,037,221)
Balance, August 31, 2007	52,373,858	-	(289,903)	2,014,778	1,412,062	(37,732,077)	17,778,718

	Common shares without par value Amount	Obligation to issue shares	Flow-through special warrants Amount	Contributed surplus	Accumulated other comprehensive income	Deficit accumulated during exploration & development stage	Total shareholders' equity
Balance, August 31, 2007	52,373,858	-	(289,903)	2,014,778	1,412,062	(37,732,077)	17,778,718
Issued on exercise of warrants	1,487,500	-	-	-	-	-	1,487,500
Issued on exercise of stock options	1,334,748	-	-	(512,924)	-	-	821,824
Issued for mineral properties net of costs	163,236	-	-	-	-	-	163,236
Translation adjustment	-	-	-	-	(76,208)		(76,208)
Unrealized loss on marketable securities	-	-	-	-	(966,001)	-	(966,001)
Stock options granted	-	-	-	1,288,383	-	-	1,288,383
Net loss	-	-	-	-		(11,783,332)	(11,783,332)
Balance, August 31, 2008	55,359,342	-	(289,903)	2,790,237	369,853	(49,515,409)	8,714,120
Issuance of common shares for cash	34,174,382	-	-	5,288,917	-	-	39,463,299
Issued on exercise of stock options	411,592	-	-	(129,952)	-	-	281,640
Translation adjustment	-	-	-	-	108,145		108,145
Unrealized loss on marketable securities	-	-	-	-	1,017,002	-	1,017,002
Stock options granted	-	-	-	2,518,107	-	-	2,518,107
Net loss	-	-	-	-	-	(7,347,731)	(7,347,731)
Balance, August 31, 2009	89,945,316	-	(289,903)	10,467,309	1,495,000	(56,863,140)	44,754,582

17. SUBSEQUENT EVENTS

During September 2009 the Company was granted prospecting rights for a 118 square kilometre area named the Waterberg Project north of the known North Limb of the Bushveld Complex. The Company holds an initial 74% interest in the project and a private South African BEE firm holds a 26% interest. Magnetic, gravity, and general trends all indicate that the North Limb extends under shallow cover in this area and initial geochemical sampling confirms this interpretation. The Company subsequently entered into a farm-in agreement with JOGMEC for this project whereby JOGMEC can earn a 37% project interest (one half of the Company's interest) by funding $3.2m in exploration expenditures over a 4 year period. The Company will carry out exploration programs for the project and this work will commence shortly.

All material subsequent events are considered in these Financial Statements to November 23, 2009.

PLATINUM GROUP METALS

PLG:AMEX PTM:TSX

Platinum Group Metals Ltd.
(Exploration and Development Stage Company)
Supplementary Information and MD&A
For the year ended August 31, 2009

Dated: November 30, 2009

A copy of this report will be provided to any shareholder who requests it.

NOTE REGARDING FORWARD -LOOKING STATEMENTS:

This report contains forward-looking statements, being all statements that are not historical facts, including, without limitation, statements regarding our future plans and activities, anticipated developments on our properties, the potential for mineral production, results of permit applications and future commodity markets. In addition, estimates of resources may be forward-looking statements to the extent they represent estimates of mineralization that will be encountered if a property is developed. Forward-looking statements are necessarily based on a number of estimates and assumptions. There can be no assurance that our forward-looking statements will be accurate. Factors that could cause results to differ materially from those expressed in our forward-looking statements include the actual results of further exploration and development, financing risks, the risk of currency and commodity price fluctuations, execution risk, political risk, and the other risks set forth in our most recent annual information form filed with the Canadian provincial securities regulators and the Company's most recent annual report on Form 40-F filed with the SEC, which are available at www.sedar.com and www.sec.gov, respectively. You should not place undue reliance upon our forward-looking statements. We disclaim any responsibility to update our forward-looking statements.

NOTE TO U.S. INVESTORS REGARDING RESOURCE ESTIMATES:

All resource estimates contained in this report have been prepared in accordance with National Instrument 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System in compliance with Canadian securities laws, which differ from the requirements of United States securities laws. Without limiting the foregoing, this report uses the terms "measured resources", "indicated resources" and "inferred resources". U.S. investors are advised that, while such terms are recognized and required by Canadian securities laws, the U.S. Securities and Exchange Commission ("SEC") does not recognize them. Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. U.S. investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher category. U.S. investors are cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Information concerning descriptions of mineralization and resources contained in this report may not be comparable to information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

Management Discussion and Analysis

1. DESCRIPTION OF BUSINESS

Platinum Group Metals Ltd. (the "Company" or "Platinum Group") is a British Columbia corporation incorporated on February 18, 2002 by an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation ("New Millenium"). The Company is an exploration and development company conducting work primarily on mineral properties it has staked or acquired by way of option agreement in the Republic of South Africa and Ontario, Canada. The Company completed a definitive Feasibility Study in July 2008 and an Updated Feasibility Study in October 2009 with respect to its Western Bushveld Joint Venture ("WBJV") in the Republic of South Africa. Included in each Study is a declaration of reserves at the time of publication.

The Company defers all acquisition, exploration and development costs related to mineral properties. The recoverability of these amounts is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of the property, and any future profitable production; or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

This management discussion and analysis ("MD&A") of the Company focuses on the financial condition and results of operations of the Company for the period ended August 31, 2009. It is prepared as of November 23, 2009 and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended August 31, 2009 together with the notes thereto.

All references herein to "dollars" or "$" refer to Canadian dollars unless otherwise stated.

2. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

a) Results of Operations

Any reference to "period" refers to the year ended August 31, 2009.

At August 31, 2009 the Company had cash, cash equivalents and short term investments on hand of $32,965,685 as compared to $1,779,871 on August 31, 2008. The Company was owed $988,880 by the WBJV partners for WBJV expenditures at year end. Accounts payable at year end totaled $861,041 (2008 - $2,875,761); of this amount, $83,516 was payable against legal costs, $38,369 was due for advisory and consulting expenses and $150,000 was payable for audit fees. The balance of accounts payable related to overhead and administrative costs. The Company also held marketable securities at period end with a fair value of $2,135,002 (2008 – $1,118,000).

During the period the Company incurred a net loss before taxes of $7,281,394 (2008 - $5,512,538). Before a non-cash charge for stock based compensation of $2,100,736 (2008 - $580,128), and including net interest earned of $139,548 (2008 - $243,339), general and administrative expenses totaled $5,180,658 (2008 - $4,932,410). The $248,248 increase in general and administrative expenses over the comparative year is explained for the most part by a $109,218 increase in professional fees ($973,425 in 2008 vs. $1,082,643 in 2009); an increase of $171,057 in shareholder relations expenses ($128,340 in 2008 vs. $299,397 in 2009); and a $269,639 increase in salaries and benefits ($1,345,722 in 2008 vs. $1,615,361 in 2009). Professional fees increased during the period as a result of the Company's use of legal advisors during negotiations to execute definitive agreements with Anglo Platinum and Wesizwe Platinum and the engagement of the Royal Bank of Canada as a strategic advisor. Shareholder relations expense and management and consulting fees increased as new staff were engaged to handle additional communication requirements during the volatile and negative market events of late 2008. Offsetting some of these increased expenses were savings on other expense items as well as foreign exchange gains of $322,833 (2008 – loss of $37,340) and cost recoveries. Travel expenses decreased by $290,726 from $859,139 in 2008 to $568,413 in 2009 and filing and transfer agent fees decreased by $29,877 from $152,853 in 2008 to $122,976 in 2009.

Apart from net interest of $139,548 (2008 - $243,339) earned on cash deposits during the year and cost recoveries from partners of $199,015 (2008 - $243,895), the Company had no significant revenues. In October 2008 the Company closed a non-brokered private placement for net cash proceeds of $7,308,081, and in June 2009 the Company closed a brokered offering for net cash proceeds of $32,155,218. In a short form prospectus dated June 10, 2009, the Company estimated that net proceeds received by the Company from the offering would be between $29,732,827 and $34,234,001 dependent upon the Over-Allotment Option. The Company noted its intentions in the short form prospectus for use of proceeds as approximately $28,000,000 of the net proceeds to pay Anglo Platinum pursuant to the WBJV Restructuring, for the equalization of ounces contributed by Anglo Platinum to the WBJV pursuant to the WBJV Restructuring. The remainder of the net proceeds will be used for general working capital. The payment for equalization has been calculated at November 16, 2009 using current exchange rates as approximately $27 million.

Total global exploration and engineering expenditures for the Company's account, including the Company's share of WBJV expenditures during the year, totaled $1,468,188 (2008 - $6,733,094). Of this amount $1,236,391 was for the WBJV (2008 - $6,132,281) and $231,797 was for other exploration (2008 - $600,813). Total WBJV expenditures during the year by all WBJV partners amounted to $2,352,769 (2008 - $17,359,357).

Activities for the WBJV have included research and data review, prospecting, mapping, detailed engineering, drilling of project areas, geophysical studies, geotechnical work, metallurgical studies and mine plan and scheduling work.

On January 10, 2007, the Company completed a positive pre-feasibility study for the Project 1 area of the WBJV. During 2007 the WBJV then commissioned a Feasibility Study for the Project 1 area of the WBJV, which was completed and delivered to the partners of the WBJV on June 30, 2008.

An Updated Feasibility Study and revised resource estimation for the Project 1 area of the WBJV was announced October 8, 2009 entitled "Technical Report (Updated Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)" and was filed by the Company on www.sedar.com on November 25, 2009. The revised resource estimation indicates that measured and indicated resources have increased as a result of further drilling in the Project 1 & 1A areas. These upgraded ounces have not yet been included in the mineable Reserves of the Updated Feasibility mine plan.

The Updated Feasibility Study recommends a series of five simultaneous declines accessing the deposit with a mining rate of up to 156,000 reef tonnes per month, which provides 13 years of steady state tonnage production. First ore is reached by development 13 months from the commencement of underground work. Mining is only scheduled on the reserves. There are further defined resources in the Project 1 area which represent additional production potential. The mining and development plan includes conventional hand held drilling utilizing electrical drills and scraper winch cleaning.

The Project 1 mine design as described in the Updated Feasibility Study involves the construction of a platinum mine and concentrator to produce approximately 275,000 ounces of combined platinum, palladium, rhodium and gold ("4E") in concentrate per year steady state for 9 years with a 22 year total underground mine life. The capital cost for the mine and concentrator complex were estimated at R3.55 billion (approximately $505 million at the time of writing) for peak funding and R4.76 billion (approximately $677 million at the time of writing) for life of mine funding. The current peak funding capital cost estimate is approximately R500 million (approximately $71 million) lower than the July 2007 estimate, primarily due to the reduction in capital costs resulting in a design change from 100% diesel self electrical generation capacity to a 25% stand by capacity as well as from improved mine development planning.

Results of the Updated Feasibility Study show a 23.54% Internal Rate of Return (pre-tax) Base Case, using 3 year trailing metal prices to September 2009, calculated on the monthly averages including US$1,343 per ounce for platinum. The Updated Feasibility Study model does not include escalation due to inflation of costs or metal prices.

Details of the Company's Revised Attributable Reserves and Resources from the Updated Feasibility Study are shown below at Item 2d. "Exploration Programs and Expenditures".

The Company also maintains two other projects in South Africa on the North Limb of the Bushveld Complex, Tweespalk and War Springs, both currently the subject of renewed consideration. During 2008 the Company conducted new soil and geological surveys on the War Springs project. On March 17, 2008 the

Company published a revised and updated resource calculation for the War Springs project based on drilling and exploration work conducted in the last three years. (See Item 2d. "Exploration Programs and Expenditures" below). On March 5, 2009 the Company announced an agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC"), an incorporated administrative institution of the Government of Japan, whereby they may earn up to a 35% interest in the Company's rights to the War Springs project for an optional work commitment of US$10 million over 5 years. The first year firm commitment of US$500,000 was completed with approximately 4,102 metres drilled to March 31, 2009. Drilling was undertaken after March 31 st and a further 840 metres were drilled to August 31, 2009. Total expenditures incurred by JOGMEC to August 31, 2009 amounted to approximately $795,926. At November 20, 2009 two drills were operating on the War Springs project area funded by JOGMEC. Further work programs for the War Springs project in later 2009 and into 2010 are currently being planned.

During the period the Company has conducted a new business generative program. Research and implementation, including the staking of several new license areas on or near to the Bushveld Complex, has cost approximately $51,029. The Company has received the grant of several new prospecting permits as a result of this work and several more are expected in the months ahead.

The Company has conducted small work programs on its Canadian projects during 2008 and 2009. A 1,125 metre drill program was completed on the Company's Lac Des Iles project in the first quarter of 2008 and a further 978 metres was completed in February of 2009. The Company maintains a large mineral rights position in the Lac des Iles area north of Thunder Bay as a strategic holding against potentially increasing prices for palladium and platinum. Encouraging exploration results for palladium, platinum, nickel and copper continue to be returned and the Company plans to invest further in this area in the future.

For more information about the WBJV and the Company's other mineral properties, please refer to Notes 5. and 6. of the Company's August 31, 2009 audited financial statements and below.

The Company's compliment of staff, consultants and casual workers consists of approximately 40 individuals at present. Office space and support services in Canada and South Africa were maintained at similar levels in 2009 as compared to 2008.

The Company still actively reviews many potential property acquisitions in the normal course of business. The Company also makes efforts to raise its profile and liquidity in the capital markets.

The following tables set forth selected financial data from the Company's annual audited financial statements and should be read in conjunction with those financial statements:

	Year ended Aug 31, 2009	**Year ended Aug. 31, 2008**
Interest income	$139,548 (1)	$243,339
Net Loss	($6,963,384) (2)	($5,086,589)
Net Loss per Share	($0.10)	($0.08)
Total Assets	$67,070,797 (3)	$32,492,583
Long Term Debt	Nil	Nil
Dividends	Nil	Nil

Explanatory Notes:

(1) The Company's only significant source of revenue during the year ending August 31, 2009 was interest revenue from interest bearing accounts held by the Company. The amount of interest earned correlates directly to the interest rate at the time and the amount of cash on hand during the year referenced.

(2) The Company's net loss during the year ending August 31, 2009 was higher than in 2008 due to several factors. Compensation expense totalled $1,615,361 in 2009 as opposed to $1,345,722 in 2008. Another factor is the stock compensation expense which totalled $2,100,736 in 2009 as opposed to $580,128 in 2008. If one removes the effect of these two factors from each fiscal year the recorded annual loss is $3,247,287 for 2009, and $3,160,739 for 2008. The remaining general and administrative costs are higher in 2009 than in 2008 except for travel expenses. The Company also had a $360,173 increase in foreign exchange gains from a $37,340 loss in 2008 to $322,833 gain in 2009.

(3) Total assets had been increasing year-on-year primarily as a result of the Company's cash balance and continued investment in mineral properties funded by completion of private placement equity financings. At August 31, 2009 the Company held $32,965,685 (2008 -$1,779,871) in cash and cash equivalents and short term investments.

The following table sets forth selected quarterly financial information for each of the last eight (8) quarters.

Quarter Ending	**Interest & Other Income (1)**	**Net Loss (2)**	**Net Loss per Share**
August 31, 2009	$41,315	($2,036,467)	($0.02)
May 31, 2009	$73,959	($1,478,807)	($0.02)
February 28, 2009	$24,172	($1,665,682)	($0.03)
November 30, 2008	$102	($2,100,438)	($0.03)
August 31, 2008	$22,396	($1,143,001)	($0.02)
May 31, 2008	$38,027	($1,307,784)	($0.02)
February 29, 2008	$78,337	($1,430,050)	($0.02)
November 30, 2007	$104,579	($1,205,754)	($0.02)

Explanatory Notes:

(1) The Company's primary source of revenue during the quarters listed above was interest revenue from interest bearing accounts held by the Company. The amount of interest revenue earned correlates directly to the amount of cash on hand during the period referenced.

(2) Net losses by quarter are often materially affected by the timing and recognition of large non-cash expenses or write-offs. For example, the quarter ended August 31, 2009 includes a non-cash charge for stock based compensation in the amount of $705,750, the quarter ended May 31, 2009 includes a non-cash charge for stock based compensation in the amount of $219,535, the quarter ended February 28, 2009 includes a non-cash charge for stock based compensation in the amount of $373,042, the quarter ended November 30, 2008 includes a non-cash charge for stock based compensation in the amount of $802,409, the quarter ended August 31, 2008 includes a non-cash charge for stock based compensation in the amount of $Nil, and the quarter ended May 31, 2008 includes a non-cash charge for stock based compensation in the amount of $187,931. The quarter ended February 29, 2008 includes a non-cash charge for stock based compensation in the amount of $250,830. The quarter ended November 30, 2007 includes a non-cash charge for stock based compensation in the amount of $141,367. After adjusting these non-cash charges, the results for the quarters listed show a more consistent trend, with a general growth in expenses over time that is consistent with the Company's increased exploration and corporate activities over the past two years as described above at "Discussion of Operations and Financial Condition".

The Company has not declared nor paid dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

b) Trend Information

Other than the financial obligations as set out in the table provided at Item 6. below, there are no demands or commitments that will result in, or that are reasonably likely to result in, the Company's liquidity either increasing or decreasing at present or in the foreseeable future. The Company will require additional capital in the future to meet both its contractual and non-contractual project related expenditures as set out in the table at Item 6. It is unlikely that the Company will generate sufficient operating cash flow to meet all of these expenditures in the foreseeable future. Accordingly, the Company will need to raise additional capital by issuance of securities or by a sale or partnering of project interests in order to meet the payment requirements of the consolidation transaction (as referred herein) announced September 2, 2008. See discussions at item 2. a) "Results of Operations" above and at item 6. "Liquidity and Capital Resources" below. The Company has completed a Feasibility Study for the Project 1 area of the WBJV. If a production decision is taken the Company will most likely pursue both equity and debt financing for its share of the capital requirements for that project.

From mid calendar 2008 until early 2009 there had been a negative trend with regard to the market for metal commodities and related products. Although still somewhat volatile and uncertain, these markets have improved since that time. See "Economic and Political instability may affect the Company's business" under Item 2c. "Risk Factors" below.

c) Risk Factors

The Company's securities should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in the Company's Canadian and U.S. regulatory filings prior to making an investment in the Company. For a discussion of risk factors applicable to the Company, see the section entitled "Risk Factors" in the Company's most recent annual information form filed with Canadian provincial securities regulators, which was also filed as part of the Company's most recent annual report on Form 40-F with the U.S. Securities & Exchange Commission. Without limiting the foregoing, the following risk factors should be given special consideration when evaluating an investment in the Company's securities.

General

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity and/or quality to return a profit from production.

The Company's business is subject to exploration and development risks

All but one of the Company's properties are in the exploration stage and no known reserves have been discovered on such properties, the exception being the development stage Project 1 of the WBJV (see Item 2d. "Exploration Programs and Expenditures" below). At this stage, favorable results, estimates and studies are subject to a number of risks, including:

- the limited amount of drilling and testing completed to date;
- the preliminary nature of any operating and capital cost estimates;
- the difficulties inherent in scaling up operations and achieving expected metallurgical recoveries;
- the likelihood of cost estimates increasing in the future; and
- the possibility of difficulties procuring needed supplies of electrical power and water.

There is no certainty that the expenditures to be made by us or by our joint venture partners in the exploration of the properties described herein will result in discoveries of precious metals in commercial quantities or that any of our properties will be developed. Most exploration projects do not result in the discovery of precious metals and no assurance can be given that any particular level of recovery of precious metals will in fact be realized or that any identified resource will ever qualify as a commercially mineable (or viable) resource which can be legally and economically exploited. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permit regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of precious metals ultimately discovered may differ from that indicated by drilling results. There can be no assurance that precious metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

Economic and Political instability may affect the Company's business

Since mid calendar 2008 until early 2009 there had been a negative trend with regard to the market for metal commodities and related products as a result of global economic uncertainty, reduced confidence in financial markets, bank failures and credit availability concerns. Although markets have improved since that time, these macro-economic events negatively affected the mining and minerals sectors in general and full recovery in these sectors has not yet occurred. As a result the Company will consider its business plans and options carefully going forward into 2010. Based on current and expected metal prices and cost structures, management has determined that the values of the Company's mineral properties have not been impaired at this time.

South Africa has undergone significant change in its government and laws since the free elections in 1994. At present, Mining Legislation in South Africa is continuing to undergo change. The new Mineral and Petroleum Resources Development Act became law on May 1, 2004. The regulation and operation of this new law is still being implemented. In association with the new Act, the Mining Charter sets out a target of 26% ownership and participation in the mineral industry by "Historically Disadvantaged Persons" within ten years, but the mechanisms to fully affect this objective are still evolving. Accordingly, the South African legal regime may be considered relatively new, resulting in risks related to the possible misinterpretation of new laws, unilateral modification of mining or exploration rights, operating restrictions, increased taxes, environmental regulation, mine safety and other risks arising out of new sovereignty over mining, any or all of which could have an adverse affect on the Company. There is no certainty that the Company will be able to convert its existing exploration rights into mining rights. The Company's operations in general may also be affected in varying degrees by political and economic instability, terrorism, crime, fluctuations in currency exchange rates and inflation.

The Company is subject to risk of fluctuations in the relative values of the Canadian Dollar as compared to the South African Rand and the U.S. Dollar

The Company may be adversely affected by foreign currency fluctuations. The Company is primarily funded through equity investments into the Company denominated in Canadian Dollars. In the normal course of business the Company enters into transactions for the purchase of supplies and services denominated in South African Rand. The Company also has cash and certain liabilities denominated in South African Rand. Several of the Company's options to acquire properties or surface rights in the Republic of South Africa may result in payments by the Company denominated in South African Rand or in U.S. Dollars. Exploration, development and administrative costs to be funded by the Company in South Africa will also be denominated in South African Rand. Fluctuations in the exchange rates between the Canadian Dollar and the South African Rand or U.S. Dollar may have an adverse or positive affect on the Company. In the past year to November 23, 2009 the South African Rand has appreciated to the Canadian dollar by approximately 15% and the Canadian dollar has appreciated to the American dollar by approximately 11%.

The Company's properties are subject to title risks

The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. These defects could adversely affect the Company's title to such properties or delay or increase the cost of the development of such properties. In addition, the Company's properties may be subject to aboriginal or other historical rights that may be claimed on Crown properties or other types of tenure with respect to which mineral rights have been conferred. The Company is not aware of any aboriginal land claims having been asserted or any legal actions relating to native issues having been instituted with respect to any of the mineral properties in which the Company has an interest. The Company is aware of the mutual benefits afforded by co-operative relationships with indigenous people in conducting exploration activity and is supportive of measures established to achieve such co-operation. The Company is currently awaiting transfer and registration of prospecting permit rights for the WBJV into a holdco under the 74% deal announced in September 2008. See more detail below under "d) Exploration Programs and Expenditures – Western Bushveld Joint Venture."

Environmental risk

Environmental legislation on a global basis is evolving in a manner that will ensure stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed development and a higher level of responsibility for companies and their officers, directors and employees. There is no assurance that future changes to environmental legislation in Canada or South Africa will not adversely affect the Company's operations. Environmental risks may exist on properties in which the Company holds interests which are unknown at present and which have been caused by previous or existing owners or operators. Furthermore, future compliance with environmental reclamation, closure and other requirements may involve significant costs and other liabilities. In particular, the Company's operations and exploration activities are subject to Canadian and South African national and provincial laws and regulations governing protection of the environment. Such laws are continually changing, and in general are becoming more restrictive.

The mineral exploration industry is extremely competitive

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies that possess greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable new producing properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel.

Metal prices affect the success of the Company's business

Metal prices have historically been subject to significant price fluctuation. No assurance may be given that metal prices will remain stable. Significant price fluctuations over short periods of time may be generated by numerous factors beyond the control of the Company, including domestic and international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increases or decreases in production due to improved mining and production methods. Significant reductions or volatility in metal prices may have an adverse effect on the Company's business, including the economic attractiveness of the Company's projects, the Company's ability to obtain financing and, if the Company's projects enter the production phase, the amount of the Company's revenue or profit or loss.

d) Exploration Programs and Expenditures *General*

The Company continues to be active in the Republic of South Africa ("RSA"). In 2003 the Company acquired a 100% South African subsidiary named Platinum Group Metals RSA (Pty.) Ltd. ("PTM RSA") for the purposes of holding mineral rights and conducting operations on behalf of the Company. The Company conducts all of its South African exploration and development work through PTM RSA.

Mineral property acquisition and capital costs deferred during the year totaled $20,044 (2008 - $1,065,570). Of this amount acquisition costs relating to the Company's pro-rata share of the WBJV amounted to $1,317 (2008 - $858,189). The balance of $18,727 (2008 - $41,881) was spent on other mineral property costs in Canada and South Africa. Exploration costs incurred globally in the year for the Company's interests totaled $1,468,188 (2008 - $6,733,094). Of that amount $136,462 (2008 - $166,042) was incurred on the Company's Canadian properties and $1,331,726 (2008 - $6,567,052) was incurred on the Company's South African properties. Of the South African amount, $1,236,391 was for the Company's share of WBJV expenditures (2008 - $6,132,281). The total amount (100%) of exploration expenditures by all Joint Venture partners for the year for the WBJV came to $2,349,208 which was lower than the 100% amount spent last year (2008 - $14,874,427).

During the period there were no write-offs in deferred costs relating to South African or Canadian projects, and there were no write-offs during the prior period. For more information on mineral properties, see Note 5 and 6 of the Company's August 31, 2009 Audited Financial Statements.

Western Bushveld Joint Venture

On October 26, 2004 the Company (37%) entered into a Joint Venture with Anglo Platinum Limited ("Anglo Platinum") (37%) and Africa Wide Mineral Prospecting and Exploration (Pty) Limited ("Africa Wide") (26%) to pursue platinum exploration and development on combined mineral rights covering approximately 67 square kilometres on the Western Bushveld Complex of South Africa. The Company contributed all of its interests in portions of the farms Onderstepoort 98 JQ and Elandsfontein 102 JQ. Anglo Platinum contributed its interests in portions of the farms Koedoesfontein 94 JQ, Elandsfontein 102 JQ and Frischgewaagd 96 JQ. On April 9, 2007, Anglo Platinum contributed to the WBJV a 50% interest in the mineral rights to the 494 hectare Portion 11 of the Farm Frischgewaagd 96 JQ. With this addition, the WBJV encompasses approximately 72 square kilometres of territory.

The Company is the operator of the WBJV. From October 2004 to April 2006, the Company funded a required exploration program in the amount of Rand 35 million. Since then, the partners of the WBJV have funded their portion of further expenditures pro-rata based upon their working interest in the Joint Venture. Activities for the WBJV have included research and data review, prospecting, mapping, detailed engineering, drilling of project areas, geophysical studies, geotechnical work, metallurgical studies, pre-feasibility and feasibility studies, and mine plan and scheduling work.

In April 2007 Africa Wide accepted an offer for the purchase of 100% their company from Wesizwe Platinum Ltd. (WEZ:JSE). The transaction closed in September 2007 and Wesizwe paid consideration of 57.4 million new shares of Wesizwe at a deemed price of Rand 10.48 per share for total consideration of Rand 601.5 million (approximately $90 million). Since September 2007 Wesizwe has become responsible for all of the rights and obligations of Africa Wide.

Under the terms of the original WBJV agreement, once a final Feasibility Study has been completed and a decision to mine has been taken the respective deemed capital contribution of each party will be credited based on their contribution of measured, indicated, and inferred PGM ounces from the contributed properties comprising the WBJV, determined in accordance with the South African SAMREC code. Under the terms of the original WBJV Agreement, inferred ounces will be credited at US$0.50 per ounce, indicated ounces will be credited at US$3.20 per ounce and measured ounces will be credited at US$6.20 per ounce. The Company will also be credited for its Rand 35 million expenditure as described above. For the later contribution of Portion 11 to the WBJV the original credit rates for equalization as described above have been amended to US$0.62 per inferred ounce, US$10.37 per indicated ounce and US$39.55 per measured ounce in order to adjust for market conditions at the time. At the time of writing the estimated equalization payment due to Anglo Platinum by the Company is approximately $26.6 million including accrued interest since January 1, 2009.

On September 2, 2008 the Company announced that the parties to the WBJV had agreed to terms whereby the ownership of the WBJV would be consolidated and rationalized (the "Consolidation Transaction") (see the Company's September 2, 2008 announcement), and on December 9, 2008 the Company announced that it had executed definitive agreements in this regard. Under the terms PTM has the right to acquire effective ownership of 74% of WBJV Projects 1 and 3 and Wesizwe will acquire 100% of Project 2 and 26% of Projects 1 and 3. The transactions are to become effective upon fulfillment of all conditions precedent and regulatory approvals including the approval of the Department of Mineral Resources, Republic of South Africa, for Section 11 transfers of mineral rights pursuant to the Mineral and Petroleum Resources Development Act. At the time of this report all conditions precedent have been satisfied with the exception of the receipt of several outstanding approvals for Section 11 transfers and the registration of titles. These final conditions are expected to be complete in late 2009. Once all title transfers and registrations are complete, the Company's equalization payment will be due to Anglo Platinum, as described above.

Upon the effective date of the Consolidation Transaction, Anglo Platinum will vend its 37% interest in the WBJV to Wesizwe in exchange for common shares representing approximately a 26% interest in Wesizwe. PTM will concurrently acquire a 54.75% interest in Projects 1 and 3 through a direct shareholding in a corporation that will hold all of the interests in Project 1 and 3 ("Holdco"), the other 45.25% being held by Wesizwe. PTM will also acquire a right to subscribe for additional shares in Holdco to increase its stake in projects 1 and 3 to 74%. In exchange PTM will deliver to Wesizwe PTM's interest in Project 2 valued at R376.9 million (approx. C$53 million) and a cash payment of R408.6 million (approx. C$57 million). The R408.6 million cash payment will be made by PTM to Holdco for the subscription of shares as described above. The subscription payment will be due 270 days after the effective date of the Consolidation Transaction. The payment proceeds will be held in escrow by Holdco to be applied towards Wesizwe's 26% share of funding for Projects 1 and 3. Should the Company not make all of the required cash subscription, its interest in the projects would be reduced accordingly, unless Wesizwe and the Company agree upon alternative arrangements.

Under the new agreement, Anglo Platinum will hold a 60 day first right of refusal on the sale of ore or concentrate over the original WBJV mineral rights.

A Feasibility Study for Project 1 of the WBJV was delivered to the partners on June 30, 2008 and results thereof were published by the Company in a news release dated July 7, 2008. An Updated Feasibility Study and revised resource estimation for the Project 1 area of the WBJV was published by the Company on October 8, 2009.

The prill splits and 4E estimates for Project 1 and 3 have been tested for reasonableness by kriging on the individual elements. Copper and nickel as well as the minor platinum group elements have also been estimated with a statistical process of Simple Kriging for Project 1.

Mineral Resources – (MR- Merensky Reef; UG2- Upper Group 2 Reef).

The Mineral Resources reported in the Updated Feasibility Study had not been previously disclosed. This updated Resource is based on the additional drilling done in Project 1 & 1A areas. The revised resource estimation indicates that measured and indicated resources have increased as a result of further drilling in the Project 1 & 1A areas. These upgraded ounces have not yet been included in the mineable Reserves of the Updated Feasibility mine plan. The Resource update was done to conform to a minimum 80cm resource cut which is in line with that used by producing mines in the area. Sampling practice, bore hole data, other factors and quality control and assurance are as reported previously. The Resources are estimated by kriging of approximately 231 boreholes plus deflections and are reported under SAMREC. The categories are the same as CIM categories. Quality controls include chain of custody, insertion of blanks, duplicates, standards and check assays as previously disclosed.

The Independent Qualified Person for the Mineral Resources is Charles Muller of Minxcon.

Note the Company's 74% interest in the following reserves and resources is subject to the completion of the Consolidation Transaction announced on September 2, 2008 and which is described above at Item 2 a) "Results of Operations" and elsewhere in this document.

WBJV Project 1 – 100% Basis

Measured Mineral Resource (4E)	Cut-off (cm.g/t)	Tonnage (Mt)	Grade 4E (g/t)	Mining Width (m)	Content (4E)+	Content 4E (Moz)
Project 1 MR	300	6.603	8.38	1.33	55.333	1.779
Project 1 UG2	300	7.464	4.26	1.34	31.797	1.022
Total Measured	300	14.067	6.19	1.34	87.130	2.801

Prill Splits	Pt	Pt (g/t)	Pd	Pd (g/t)	Rh	Rh (g/t)	Au	Au (g/t)
Project 1 MR	64%	5.36	27%	2.26	4%	0.34	5%	0.42
Project 1 UG2	63%	2.68	26%	1.11	10%	0.43	1%	0.04

Indicated Mineral Resource (4E)	Cut-off (cm.g/t)	Million Tonnes (Mt)	Grade 4E (g/t)	Mining Width (m)	Tonnes PGE (4E)	Moz PGE's (4E)
Project 1 & 1A MR	300	11.183	7.25	1.24	81.077	2.607
Project 1 & 1A UG2	300	19.209	4.46	1.39	85.672	2.754
Total Indicated	300	30.392	5.49	1.34	166.749	5.361

Prill Splits	Pt	Pt (g/t)	Pd	Pd (g/t)	Rh	Rh (g/t)	Au	Au (g/t)
Project 1 & 1A MR	64%	4.64	27%	1.96	4%	0.29	5%	0.36
Project 1 & 1A UG2	63%	2.81	26%	1.16	10%	0.45	1%	0.04

Inferred Mineral Resource (4E)	Cut-off (cm.g/t)	Million Tonnes (Mt)	Grade 4E (g/t)	Mining Width (m)	Tonnes PGE (4E)	Moz PGE's (4E)
Project 1 MR	300	0.154	8.96	1.06	1.380	0.044
Project 1 UG2	300	0.022	3.91	0.83	0.086	0.003
Total Inferred	300	0.176	8.33	1.03	1.466	0.047

Prill Splits	Pt	Pt (g/t)	Pd	Pd (g/t)	Rh	Rh (g/t)	Au	Au (g/t)
Project 1 MR	64%	5.73	27%	2.42	4%	0.36	5%	0.45
Project 1 UG2	63%	2.46	26%	1.02	10%	0.39	1%	0.04

Mineral Reserves – derived from the Measured & Indicated Resources and not in addition to them.

***Cautionary Note to U.S. Investors** : The U.S. Securities and Exchange Commission permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms in this document, such as "measured," "indicated," and "inferred," "reserves," "resources," that the SEC guidelines strictly prohibit U.S. registered companies from including in their filings with the SEC. "Resources" are not "Reserves" and so do not have demonstrated economic viability. U.S. investors are urged to consider closely the disclosure in our U.S. regulatory filings, File No. 001-033562, which may be secured from us, or from the SEC's website at: http://sec.gov*

A Probable Reserve is the economically mineable part of an Indicated, and in some circumstances a Measured Resource, demonstrated by at least a Pre-Feasibility Study including adequate information on mining, processing, metallurgy, and economic and other factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Proven Reserve is the economically mineable part of a Measured Resource demonstrated by the same level and factors as above. A Proven Mineral Reserve implies that there is a high degree of confidence.

The current Mineral Reserve used for mine planning purposes has not yet taken the updated Resource into account.

The conversion to Mineral Reserves was undertaken at 3.5g/t stope cut-off grade. Each stope has been fully diluted for mine modeling purposes by way of planned dilution and additional dilution for all aspects of the mining process. The Inferred Resources are outside and in addition to the reserves.

The Independent Qualified Person for the Statement of Reserves is Tim Spindler.

Merensky

Tonnage	4E	Content 4E	
(000) t	(g/t)	Tonne	Moz
Merensky Proven			
6,678	5.61	37.478	1.21
Merensky Probable			
11,333	5.44	61.677	1.98
Total Merensky Mineral Reserves			
18,011	5.51	99.155	3.19

UG2

Tonnage	4E	Content 4E	
(000) t	(g/t)	Tonne	Moz
UG2 Proven			
5,086	3.37	17.126	0.55
UG2 Probable			
8,449	3.41	28.831	0.93
Total UG2 Mineral Reserves			
13,535	3.40	45.957	1.48

Prill Splits	Pt	Pt (g/t)	Pd	Pd (g/t)	Rh	Rh (g/t)	Au	Au (g/t)
Project 1 & 1A MR	64%	3.52	27%	1.49	4%	0.22	5%	0.28
Project 1 & 1A UG2	63%	2.15	26%	0.88	10%	0.34	1%	0.03

The prill splits as shown above are the same percentages as for the earlier reported Measured and Indicated Resources. The splits have a lower confidence level when compared to the 4E grades. The reserves are stated with certain risk factors including, but not limited to, mining project risks as highlighted in the "Risks and Opportunities" section as well in the disclosure statement.

The Updated Feasibility Study recommends a series of five simultaneous declines accessing the deposit with a mining rate of 156,000 tonnes per month, which provides 13 years of steady state tonnage production. First ore is reached by development 13 months from the commencement of underground work. Mining is only scheduled on the reserves. There are further Inferred Resources in the Project 1 area which may represent additional production potential. The lower grade UG2 resources also provide some future opportunities. The mining and development plan includes conventional hand held drilling utilizing electrical drills and scraper winch cleaning similar to the successful conventional mining at the adjacent producing Bafokeng Rasimone Platinum Mine. Declines and primary access to the deposit is designed for development with mechanized equipment. Ore is initially to be hauled out of the mine with mechanized equipment and assisted then by conveyor from year 4 of mine life to end of mine life.

The Merensky Reef will be mined at widths between 93cm and 176cm at an average of 115cm and the UG2 Reef will be mined at widths between 105cm and 205cm at an average of 153cm.

The updated Project 1 mine design involves the construction of a platinum mine and concentrator to produce approximately 275,000 ounces of combined platinum, palladium, rhodium and gold ("4E") in concentrate per year steady state for 9 years with a 22 year total underground mine life. The capital cost for the mine and concentrator complex were estimated at R3.55 billion (approximately $505 million at the time of writing) for peak funding and R4.76 billion (approximately $677 million at the time of writing) for life of mine funding. The current peak funding capital cost estimate is approximately R500 million (approximately $71 million) lower than the July 2007 estimate, primarily due to the reduction in capital costs resulting in a design change from 100% diesel self electrical generation capacity to a 25% stand by capacity as well as from improved mine development planning.

The results of the Updated Feasibility Study show a 23.5% Internal Rate of Return (pre-tax) Base Case, using 3 year trailing metal prices to September 2009, calculated on the monthly averages including US$1,343 per ounce for platinum. The Updated Feasibility Study model does not include escalation due to inflation of costs or metal prices.

Project 1 Resource Calculation Detail

The Mineral Resources reported in the Updated Feasibility Study had not been previously disclosed. This updated Resource is based on the additional drilling done in Project 1 & 1A areas. The Resource update was done to conform to a minimum 80cm resource cut which is in line with that used by producing mines in the area. Sampling practice, bore hole data, other factors and quality control and assurance are as reported previously. The Resources are estimated by kriging of approximately 231 boreholes plus deflections and are reported under SAMREC. The categories are the same as CIM categories. Quality controls include chain of custody, insertion of blanks, duplicates, standards and check assays as previously disclosed.

Project Area 3 – Mineral Resource Statement

MR = Merensky Reef; UG2 = Upper Group No. 2 chromitite seam; PGE=Platinum Group Metals.

The cut-offs for Inferred Mineral Resources have been established by a qualified person after a review of potential operating costs and other factors.

The following resources are quoted on a 100% basis. The Company has agreements I place whereby it will attain 74% of these resources.

Inferred Mineral Resource (4E)	Cut-off (cm.g/t)	Million Tonnes	Grade 4E (g/t)	Potential Mining Width (m)	Tons PGE (4E)	Moz PGEs (4E)
Project 3 MR	100	4.040	6.26	1.12	25.307	0.814
Project 3 UG2	100	6.129	5.51	1.22	33.781	1.086

Total Inferred	**100**	**10.169**	**5.81**		**59.088**	**1.900**

Prill Splits	Pt	Pt (g/t)	Pd	Pd (g/t)	Rh	Rh (g/t)	Au	Au (g/t)
Project 3 MR	64%	4.01	27%	1.69	4%	0.25	5%	0.31
Project 3 UG2	62%	3.42	28%	1.54	9%	0.50	1%	0.06

The Qualified Person for the mineral resources reported above is Charles Muller of Minxcon.

Project 3 Resource Calculation Detail

A 14% geological loss for the Merensky Reef and UG2 Reef respectively was applied to the area to accommodate for areas of potentially un-mineable structural and geological conditions. This geological loss considers losses for faults, dykes, potholes and areas of iron replacement pegmatite. Structural loss estimates are based on drilling, field mapping and remote sense data which include a high resolution aeromagnetic survey and a 3D seismic survey. The Merensky mineral resource estimate is based on 24 boreholes with 27 intercepts and the UG2 is based on 15 intercepts within the 224.28 hectare area. The prill split has been calculated by weighted averages as a proportion of the total 4E and the grades have been estimated with a more rigorous statistical process of Simple Kriging. (The prill splits and 4E estimates have been tested for reasonableness by kriging on the individual elements). Copper and nickel as well as the minor platinum group elements have also been estimated with a statistical process of Simple kriging. The cut-off was determined on a practical mining width and the known costs and mining methods regionally. Platinum Group's independent consulting Qualified Person has provided the mineral resource estimate according to the SAMREC code. The reconciliation to the CIM codes is that the categories are the same. The resources are located on new order prospecting permits that provide for the right to be converted to mining rights. Charles Muller of Minxcon is the Qualified Person for this report. He is registered with the South African Council for Natural Scientific Professions ("SACNASP") (Registration No. 400201/04).

Northern Limb, Bushveld - War Springs and Tweespalk Properties

On June 3, 2002, the Company acquired an option to earn a 100% interest in the 2,396 hectare War Springs property and the 2,177 hectare Tweespalk property both located in the Northern Limb or Platreef area of the Bushveld Complex north of Johannesburg. The Company now holds New Order prospecting permits on 100% of this territory. Acquisition and exploration costs on these properties net of recoveries to August 31, 2009 total $3,367,888 (2008 - $3,312,914). The Company can settle the vendors' residual interests in these mineral rights at any time for US$690 per hectare. The Company pays annual prospecting fees to the vendors of US$3.25 per hectare. The vendors retain a 1% NSR Royalty on the properties, subject to the Company's right to purchase the NSR at any time for US$1.4 million.

Black Economic Empowerment groups Africa Wide, a subsidiary of Wesizwe Platinum Ltd., and Taung Minerals (Pty) Ltd., a subsidiary of Platmin Limited, have each acquired a 15% interest in the Company's rights to the War Springs project carried to bankable feasibility. The Company retains a net 70% project interest. Africa Wide also has a 30% participating interest in the Tweespalk property.

On March 5, 2009 the Company announced an agreement with JOGMEC,an incorporated administrative institution of the Government of Japan, whereby they may earn up to a 35% interest in the Company's rights to the War Springs project for an optional work commitment of US$10 million over 5 years. The first year firm commitment of US$500,000 was completed with approximately 4,102 metres drilled to March 31, 2009. Drilling was undertaken after March 31 st and a further 840 metres were drilled to August 31, 2009. Total expenditures incurred by JOGMEC to August 31, 2009 amounted to approximately $795,926. At November 20, 2009 two drills were operating on the War Springs project area funded by JOGMEC. Further work programs for the War Springs project in later 2009 and into 2010 are currently being planned.

To August 31, 2009 approximately $795,926 of work has been funded or approved for work on the War Springs project by JOGMEC. At August 31, 2009 an amount of $224,482 was receivable from JOGMEC for work completed under approved work programs and this amount was subsequently received.

On March 17, 2008 the Company published a revised and updated resource calculation for the War Springs property based on drilling and exploration work conducted in the last three years. Details are as follow:

100% Basis

Reef	Cut-off 3E	Tonnage	3E			Ni		Cu		Channel Width
	cmg/t	T	g/t	G	Moz	%	t	%	t	cm
B Reef	300	20,934,894	0.95	19,947,131	0.641	0.18	35,870	0.14	27,863	657
C Reef	300	26,030,561	1.24	32,192,522	1.035	0.08	25,812	0.06	19,388	875
Total	300	46,965,455	1.11	52,139,652	1.676	0.13	64,965	0.10	49,868	734

Reef	Prill Splits					
	Pt		Pd		Au	
	g/t	%	g/t	%	g/t	%
B Reef	0.32	34	0.55	58	0.08	8
C Reef	0.20	16	0.97	78	0.07	6

The War Springs Mineral Resource is characterised by two distinct reef layers, termed the "B" and "C" reefs. Both reefs are typically greater than 6 metres thick. The reefs outcrop on surface and extend down dip in parallel sheets at a 65 degree angle to a depth of 400 metres, remaining open at depth. A 5% geological loss has been applied. Eighteen holes had been completed by the end of May 2005, relating to 7,433 metres of drilling. A total of 8,188 samples were collected for the determination of elements Platinum, Palladium, Gold, Copper and Nickel. Four additional boreholes were drilled (1,646m) during the period November 2005 to early February 2006, on high priority soil targets (Phase 2 Drilling Program). An additional 1,738 samples were collected for analysis. Of the 22 boreholes drilled, 15 boreholes intersected the "B" Reef and 8 boreholes intersected the "C" Reef. Drilling results from Phase 1 and 2 covering approximately 2,200 metres of strike length on a 250 metre spacing, combined with a review of the cut-off, form the basis of the updated Inferred Mineral Resource estimation reported in a NI43-101 document, compiled by Minxcon (Pty) Ltd, dated March, 2008. Mr. Charles Muller of Minxcon is the Qualified Person for the War Springs resource estimate. Samples were analyzed under Platinum Group's previously published protocols for the project including insertion of blanks, duplicates and certified reference materials in the assay stream once in every 24 or fewer samples. This is in addition to internal quality control measures undertaken by the contracted certified analytical facilities. Assays were completed by standard fire assay procedures with preparation at the Setpoint facility at Mokopane and final assays at Genalysis Laboratories Services Pty Ltd. in Perth Australia or Anglo Research Laboratories.

Lac Des Iles Area Properties, Ontario

On May 5, 2000, New Millennium entered into an option agreement to acquire a 50% interest in the Lac des Iles River property located near Thunder Bay, Ontario in exchange for cash payments ($43,500 paid in total) and the completion of exploration expenditures. On October 6, 2006, the Company and the property vendors entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property subject only to an underlying 2.0% Net Smelter Return Royalty. In settlement the Company made a one-time payment to the vendors of $50,000 in lieu of past and future exploration expenditure commitments not incurred.

In April 2000, and later as amended in January 2005, the Company acquired an option to earn a 50% interest in the South Legris property located near Thunder Bay, Ontario in exchange for cash payments ($105,000 paid in total) and the completion of certain exploration expenditures. On October 13, 2006, the Company and the property vendors entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property subject only to underlying 2.0% Net Smelter Return Royalties. In settlement the Company made a one-time payment of $50,000 in lieu of past and future exploration expenditure commitments not incurred.

On June 28, 2000, the Company entered into an option agreement to earn up to 60% interest in the Shelby Lake property, located near Thunder Bay, Ontario in exchange for cash payments of $15,000 (paid), the issue of 30,303 shares (issued) and the completion of exploration expenditures. On October 18, 2006, the Company and the property vendor entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property for a one-time payment of $5,000 subject only to an underlying 2.0% Net Smelter Return Royalty.

The Company has conducted small work programs on its Lac Des Iles projects during 2008 and 2009. A 1,125 metre drill program was completed on the projects in the first quarter of 2008 and a further 978 metres was completed in February of 2009. Encouraging exploration results for palladium, platinum, nickel and copper continue to be returned and the Company plans to invest further in this area in the future.

e) Administration Expenses

Before a non-cash charge for stock based compensation of $2,100,736 (2008 - $580,128), and not including interest in the year of $139,548 (2008 - $243,339), general and administrative expenses totaled $5,298,098 (2008 - $5,175,749). Since 2002 the Company has grown substantially through its amalgamation with New Millennium and its expansion into the Republic of South Africa. This growth is reflected in the costs described herein. During 2004 the Company opened and staffed a permanent office in Johannesburg and commenced active exploration on the ground. The costs described above include management and consulting fees of $576,742 (2008 - $525,451); advisory fees of $535,964 (2008 - $318,307) office and miscellaneous expenses of $201,680 (2008 - $227,497); professional fees of $1,082,643 (2008 - $973,425); salaries and benefits of $1,615,361 (2008 - $1,345,722); shareholder relations expense of $299,397 (2008 - $128,340); travel expenses of $568,413 (2008 - $859,139); news release, print and mailout expenses of $42,974 (2008 - $75,688) and promotion expenses of $195,604 (2008 - $214,524).

f) Related Party Transactions

Management, consulting fees and salaries incurred with directors and officers during the year amounted to $460,967 (2008 - $524,807). Of this amount, approximately $200,967 (2008 - $241,474) was paid as fees to the Company's President, and $185,000 (2008 - $208,333) was paid as salary for the Company's CFO. At August 31, 2009 there were $45,308 in fees (2008 - $75,000) owed and included in accounts payable.

The Company provides services at market rates for day-to-day administration and accounting to MAG Silver Corp. ("MAG"), a company with two common directors and a common officer. There are no long term obligations or commitments between the parties with relation to the provision of these services. Fees received are credited by the Company against its own administrative costs.

The Company received service fees of $135,951 (2008 - $135,895) during the year from MAG. Amounts receivable from MAG at the end of the year include an amount of $4,404 for fees due (2008 - $1,819).

During the year the Company accrued or received service fees of $38,000 (2008 – $108,000) from West Timmins Mining Inc. ("WTM"), a company which prior to being aquired by Lake Shore Gold Corp, had three common directors and a common officer. Amounts receivable from WTM at the end of the year included an amount of $12,769 for administration fees and other trade receivables (2008 – $997).

During the year ended August 31, 2005, the Company entered into an office lease agreement with Anthem Works Ltd. ("Anthem"), a company with a common director. During the year ended August 31, 2009 the Company accrued or paid Anthem $86,849 under the office lease agreement (2008 - $88,382). The space occupied approximates one third of 6,050 square feet in a first tier building located in downtown Vancouver, British Columbia. The rental rate was negotiated on an "arm's length basis".

All of the above transactions are in the normal course of business and are measured at the exchange amount which is the consideration established and agreed to by the noted parties.

g) Shareholder Relations' Expenses

Shareholder relations' expense during the year totaled $299,397 (2008 - $128,340). The increase from the prior year is due to the deployment of additional resources in this area and new staff being engaged to handle additional communication requirements during the volatile and negative market events of late 2008 and early 2009. The Company manages its shareholder relations as an internal function and the Company actively seeks to raise its profile with both retail and institutional investors. From June 2005 to present Mr. Tony Mahalski of LM Associates in London, U.K., has been engaged for a fee of GBP 1,000 per month for the purpose of general business development and the raising of the Company's profile in Europe.

h) Travel and Promotion Expenses

Travel expenses for the year amounted to $568,413 (2008 - $859,139). These activities relate to the supervision of ongoing operations in South Africa and Canada, new property investigations and meetings with potential and current institutional and sophisticated investors. Travel related to all of these activities was lower during the year than in the same period in 2008. Promotional expenses in the year amounted to $195,604 (2008 - $214,524) and these costs relate to design work, media relations, printed material, postage and trade show attendance and efforts were made to reduce such costs during the year.

i) Property Acquisition and Capital Expenses

Property acquisition expenditures and capital costs during the year totaled $20,044 (2008 - $1,065,570). These expenditures were incurred to acquire or maintain option rights to South African mineral properties.

The Company evaluates its property interests on an ongoing basis and intends to abandon properties that fail to remain prospective. Apart from a possible buy-out of the War Springs and Tweespalk properties, the Company has no other required property acquisition payments due to vendors under mineral property option agreements. At the time of writing the Company was incurring further property acquisition expenses, such as research and staking expenses, through its activities in Ontario, Canada and South Africa.

During the year ended August 31, 2008 the Company purchased surface rights adjacent to the WBJV Project 1 deposit area measuring 216.27 hectares at a price of Rand 8.0 million (approx. C$1.09 million). During the 2008 year the Company also entered into an agreement for the purchase of surface rights directly over a portion of the WBJV Project 1 deposit area measuring 358.79 hectares for the price of Rand 15.07 million (approx. C$2.07 million). Prior to August 31, 2008 the Company paid a 10% deposit of Rand 1.507 million (approx. C$0.20 million) for this property and the balance of Rand 13.562 million (approx. C$1.953 million) was accrued as a payable at August 31, 2008 and later paid in March 2009 to initiate statutory registration of the surface rights in the Company's name. The rights to these two properties are to the benefit of the Company only and are distinct from the 365.64 hectare Elandsfontein Farm held for the benefit of the WBJV as described above.

j) Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

3. CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian GAAP requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Management has identified (i) mineral property acquisition and exploration deferred costs (ii) provision for reclamation and closure, (iii) future income tax provision (iv) stock based compensation and (v) recoverability of its interest in the WBJV as the main estimates for the following discussion. Please refer to Note 2 of the Company's Audited consolidated financial statements for a description of all of the significant accounting policies.

Under Canadian GAAP, the Company defers all costs relating to the acquisition and exploration of its mineral properties. Any revenues received from such properties are credited against the costs of the property. When commercial production commences on any of the Company's properties, any previously capitalized costs would be charged to operations using a unit-of-production method. The Company reviews when events or changes in circumstances indicate the carrying values of its properties including its investment in the WBJV, to assess their recoverability and when the carrying value of a property exceeds the estimated net recoverable amount, provision is made for impairment in value.

The existence of uncertainties during the exploration stage and the lack of definitive empirical evidence with respect to the feasibility of successful commercial development of any exploration property does create measurement uncertainty concerning the estimate of the amount of impairment to the value of any mineral property. The Company relies on its own or independent estimates of further geological prospects of a particular property and also considers the likely proceeds from a sale or assignment of the rights before determining whether or not impairment in value has occurred.

Reclamation and closure costs have been estimated based on the Company's interpretation of current regulatory requirements, however changes in regulatory requirements and new information may result in revisions to estimates. The Company recognizes the fair value of liabilities for reclamation and closure costs in the period in which they are incurred. A corresponding increase to the carrying amount of the related assets is generally recorded and depreciated over the life of the asset.

The future income tax provision is based on the liability method. Future taxes arise from the recognition of the tax consequences of temporary differences by applying enacted or substantively enacted tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of certain assets and liabilities. The Company records a valuation allowance against any portion of those future income tax assets that it believes will, more likely than not, fail to be realized.

For its 2005 fiscal year, The Company adopted CICA Handbook Section 3870 – Stock-Based Compensation and other Stock-Based Payments, which requires the fair value method of accounting for stock options. Under this method, the Company is required to recognize a charge to the income statement based on an option-pricing model based on certain assumptions. For the year ended August 31, 2009 the assumptions were as follows; no dividends were paid, a weighted average volatility of the Company's share price of 77.97%, a weighted average annual risk free rate of 2.59 per cent and an expected life of 3.21 years. The resulting weighted average option pricing resulted in an expense for stock options in the year ended August 31, 2009 of $2,518,107. Of the $2,518,107 in cost calculated for August 31, 2009 an amount of $2,100,736 was expensed while $417,371 was capitalized to deferred mineral property exploration costs in the Company's WBJV interest.

4. SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are set out in Note 2 of its Financial Statements for the year ended August 31, 2009. There are several policies that are significant to the financial results of the Company.

Under Canadian GAAP, the Company defers all costs relating to the acquisition and exploration of its mineral properties. Any revenues received from such properties are credited against the costs of the property. When commercial production commences on any of the Company's properties, any previously capitalized costs would be charged to operations over the life of the property using a unit-of-production method. The Company regularly reviews deferred exploration costs to assess their recoverability when facts and circumstances indicate that the carrying value of a property exceeds the estimated net recoverable amount, provision is made for impairment in value.

The existence of uncertainties during the exploration stage and the lack of definitive empirical evidence with respect to the feasibility of successful commercial development of any exploration property do create measurement uncertainty concerning the calculation of the amount of impairment to the value of any mineral property. The Company relies on its own or independent estimates of further geological prospects of a particular property and also considers the likely proceeds from a sale or assignment of the rights before determining whether or not impairment in value has occurred.

Future income taxes are calculated based on the liability method. Future income taxes arise from the recognition of the tax consequences of temporary differences by applying enacted or substantively enacted tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of certain assets and liabilities. The Company records a valuation allowance against any portion of those future income tax assets that it believes will, more likely than not, fail to be realized.

5. ADOPTION OF NEW ACCOUNTING STANDARDS

Effective September 1, 2008, the Company adopted the following new presentation and disclosure standards that were issued by the Canadian Institute of Chartered Accountants (the "CICA"). These standards were adopted on a prospective basis without restatement of prior periods.

CICA Section 1400, *General Standards of Financial Statement Presentation,*
outlines the premise that in the preparation of financial statements all information required for fair presentation in accordance with generally accepted accounting principles should be included. It also specifies the requirements for assessing an entity's ability to continue as a going concern and disclosing any material uncertainties that cast doubt on its ability to continue as a going concern. The Company's disclosure reflects such assessment.

CICA Section 1535 *, Capital Disclosures,* establishes disclosure requirements regarding an entity's capital, including (i) an entity's objectives, policies, and processes of managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any externally imposed capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Company has included disclosures recommended by Section 1535.

CICA Sections 3862, *Financial Instruments - Disclosures* and Section 3863 *Financial Instruments - Presentation* , replace Section 3861 Financial Instruments – Disclosure and Presentation. These new sections revise and enhance disclosure requirements while leaving presentation requirements unchanged. 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. The Company has included the recommended disclosures in these interim consolidated financial statements.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities ("EIC-173"): In January 2009, the CICA issued Emerging Issues Committee ("EIC") Abstract 173 - Credit Risk and the Fair Value of Financial Assets and Financial Liabilities ("EIC-173"). EIC-173 provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC-173 is applicable for the Company's annual consolidated financial statements for its fiscal year ending August 31, 2009, with retroactive application. The adoption of EIC-173 did not result in a material impact on the Company's consolidated financial statements.

Mining Exploration Costs ("EIC-174"): In March 2009, the CICA issued EIC Abstract 174 - Mining Exploration Costs ("EIC-174") which supersedes EIC Abstract 126 - Accounting by Mining Enterprises for Exploration Costs ("EIC-126"), to provide additional guidance for mining exploration enterprises on the accounting for capitalization of exploration costs and when an impairment test of these costs is required. EIC 174 is applicable for the Company's annual consolidated financial statements for its fiscal year ending August 31, 2009, with retroactive application. The adoption of EIC – 174 did not result in a material impact on the Company's consolidated financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS

The CICA has issued new standards which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning September 1, 2009. The Company is currently considering the impact this will have on the Company's financial statements.

CICA Section 3064, *Goodwill and Intangible Assets* , replaces Section 3062, *Goodwill and Other Intangible Assets* and Section 3450, *Research and Development Costs* . In February 2008, the CICA issued the new pronouncement establishing revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and startup costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. Management is currently assessing the impact of these new accounting standards on its financial statements.

Section 3855 was amended during the year to (i) change the categories into which a debt instrument is required or permitted to be classified; (ii) change the impairment model for held-to-maturity financial assets to the incurred credit loss model; and (iii) require reversal of previously recognized impairment losses on available-for-sale financial assets in specified circumstances. These amendments apply to annual financial statements for years beginning on/after November 1, 2008.

Section 3855 was also amended to add guidance concerning the assessment of embedded derivatives upon reclassification of a financial asset out of the held-for-trading category. These amendments apply to reclassifications made on/after July 1, 2009. There has been clarification on the application of the effective interest method after a debt instrument has been impaired; this amendment was effective on issue in June 2009. The Company expects that the amendment will not have significant effect on the Company's financial position, results of operations or cash flows.

In June 2009, Handbook Section 3862 was further amended to include additional disclosures about fair value measurements of financial instruments and to enhance liquidity risk disclosure. The additional fair value measurement disclosures include classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

* Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
* Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
* Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

These amendments are required to be adopted for fiscal years ending after September 30, 2009, but early adoption is permitted. The Company expects that the amendment will not have significant effect on the Company's financial position, results of operations or cash flows.

Convergence with International Financial Reporting Standards ("IFRS"). In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt IFRS for fiscal years beginning on or after January 1, 2011, with earlier adoption permitted. Accordingly, the conversion to IFRS will be applicable to the Company no later than the quarter ended November 30, 2011, with restatement of comparative information presented. The conversion to IFRS will impact the Company's accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. The transition may also impact business activities, such as foreign currency activities, certain contractual arrangements, capital requirements and compensation arrangements. The Company is currently evaluating the future impact of IFRS on its financial statements and will continue to invest in training and additional resources to ensure a timely conversion.

6. LIQUIDITY AND CAPITAL RESOURCES

From mid calendar 2008 until early 2009 there had been a negative trend with regard to the market for metal commodities and related products as a result of global economic uncertainty, reduced confidence in financial markets, bank failures and credit availability concerns. These macro-economic events negatively affected the mining and minerals sectors in general. The Company will consider its business plans and options carefully going forward into 2010. The Company intends to preserve its cash balances to the greatest extent possible.

During the year the Company issued a total of 30,166,420 (2008 – 1,660,500) common shares for net cash proceeds of $39,744,939 (2008 - $2,309,324). Cash proceeds are primarily spent on mineral property and surface right acquisitions, exploration and development as well as for general working capital purposes. The Company's primary source of capital has been from the sale of equity. At August 31, 2009 the Company had cash, cash equivalents and short-term investments on hand of $32,965,685 compared to $1,779,871 at August 31, 2008.

The Company receives lump sum cash advances at various times as laid out in agreed budgets from its joint venture partners to cover the costs of the WBJV and JOGMEC. The balance of cash outflows is made up of management and consulting fees and advisory fees of $1,112,706 (2008 - $843,758) and other general and administrative expenses of $4,185,392 (2008 - $4,331,991).

The following Table discloses the Company's continual obligations for optional mineral property acquisition payments and contracted office and equipment lease obligations. Apart from a possible buy-out of the War Springs and Tweespalk projects (which optional acquisition payment is included in the following table), the Company has no other property acquisition payments due to vendors under mineral property option agreements. The Company has no long term debt or loan obligations. Under the terms of several of the Company's mineral property option and purchase agreements, the Company is required to make certain scheduled acquisition payments as summarized in the table below in order to preserve the Company's interests in the related mineral properties. In the event the Company is unable or unwilling to make these payments, it is likely that the Company would forfeit its rights to acquire the related properties.

	Payments by period in Canadian Dollars				
	Total	**< 1 Year**	**1 – 3 Years**	**3 – 5 Years**	**> 5 Years**
Equalization amount due Anglo Platinum (1)	$26,600,000	$26,600,000	$0	$0	$0
Purchase price due Wesizwe Platinum (1)	$58,000,000	$58,000,000	$0	$ 0	$0
Past Exploration Costs due Wesizwe Platinum (1)	$2,144,000	$2,144,000	$0	$0	$0
Optional Acquisition Payments (War Springs & Tweespalk) (2)	$3,398,500	$3,398,500	$0	$0	$0
Lease Obligations	$77,865	$66,009	$ 11,856	$0	$0
Totals	**$90,220,365**	**$90,208,509**	**$11,856**	**$ 0**	**$ 0**

Explanatory Notes:

(1) The requirement to pay and the due date of these items is dependent upon the effective date of the transaction announced September 2, 2008. The effective date is expected in late 2009. The equalization amount is denominated in Rand and is estimated at Rand 191 million at year end. The Wesizwe purchase amount is also denominated in Rand and is set at Rand 408 million. The past exploration costs due to Wesizwe are set at US $2.0 million. See discussions at item 2. a) "Results of Operations" and item 2. d) "Exploration Programs and Expenditures" above and discussion below in this section.

(2) The optional acquisition payments for the War Springs and Tweespalk properties are denominated in US dollars. See item 2. d) "Exploration Programs and Expenditures" above.

As detailed in the table above, the Company will be required to pay an equalizing amount under the terms of the WBJV agreement based on the measured, indicated and inferred 4E PGE ounces reported in a Feasibility Study. Under the original terms of the WBJV this equalization amount would be due to Anglo Platinum only after a decision to mine is taken by the partners of the WBJV, or as detailed below. See item 2. d) "Exploration Programs and Expenditures" above for details of how the equalizing payment will be calculated.

Should the Consolidation Transaction announced September 2, 2008 become effective, the equalization amount will become due to Anglo Platinum on the effective date of the final agreement. The effective date will occur once all conditions precedent have been fulfilled. It is anticipated this date will be in late 2009. In the event the Company does not make the equalization payment on the date required, Anglo Platinum can elect to extend the payment deadline for up to six months, with interest, or may elect to take payment in common shares of Wesizwe, at which point the right to accept the equalization payment would transfer to Wesizwe.

Also as detailed in the table above, under the terms of the Consolidation Transaction, the Company would be required to make both a purchase payment and past exploration cost payment to Wesizwe. The purchase payment would be due nine months after the effective date of the final agreement. See Item 2. a) "Results of Operations" for more detail. In the event the Company does not make the required Wesizwe purchase payment, Wesizwe would have the right to dilute the Company for up to a 19% reduction in its 74% interest in Projects 1 and 3, taking the Company to a 55% interest position.

Cash at August 31, 2009 is sufficient to fund the general operation costs of the Company well into fiscal 2010, but will be insufficient to cover the payments envisioned should the proposed transaction announced September 2, 2008 become effective. The Company is considering and analyzing various strategies to maximize shareholder value going forward. One strategy would be to simply conserve working capital and look toward potential traditional construction financing in 2010. The Company continues to discuss financing possibilities with several large banks who have expressed interest to be involved in the financing of Project 1. A second option would be to consider a strategic partner who has the financial ability to finance Project 1 construction costs, possibly with a metal price instrument or hedge. A third option would be to sell some or all of the South African projects at the most favorable price for shareholders. All three options are currently being pursued.

7. OUTSTANDING SHARE DATA

The Company has an unlimited number of common shares authorized for issuance without par value. At August 31, 2009 there were 92,815,667 common shares outstanding, 6,149,625 incentive stock options outstanding and 12,537,150 common share purchase warrants outstanding. During the year ending August 31, 2009, the Company made no changes to the exercise price of outstanding options through cancellation and reissuance or otherwise.

At November 14, 2009 there were 92,848,667 common shares outstanding, 6,116,625 incentive stock options outstanding and 12,537,150 common share purchase warrants outstanding.

8. DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings made pursuant to both U.S. Securities and Exchange Commission and Canadian Securities Administrators requirements are recorded, processed, summarized and reported in the manner specified by the relevant securities laws applicable to the Company. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Company operates in both Canada and the Republic of South Africa and work is ongoing to improve and modernize these controls and to ensure that they remain consistently applied in both jurisdictions. The Chief Executive Officer and the Chief Financial Officer have evaluated the Company's disclosure control procedures as of August 31, 2009 through inquiry, review, and testing, as well as by drawing upon their own relevant experience. The Company retained an independent third party specialist in 2009 to assist in the assessment of its disclosure control procedures. The Chief Executive Officer and the Chief Financial Officer have concluded that, as at August 31, 2009, the Company's disclosure control procedures were effective. Management is also developing and implementing a plan to address disclosure controls and procedures on a forward looking basis as the Company continues to grow.

The Company also maintains a system of internal controls over financial reporting designed under the supervision of the Company's Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. The Company retained an independent third party specialist in 2008 to assist in the assessment of its internal control procedures. The Board of Directors approves the financial statements and ensures that management discharges its financial responsibilities. The Board's review is accomplished principally through the audit committee, which is composed of independent non-executive directors.

The audit committee meets periodically with management and auditors to review financial reporting and control matters. The Board of Directors has also appointed a compensation committee composed of non-executive directors whose recommendations are followed with regard to executive compensation.

From time to time the board may also form special sub-committees, which must investigate and report to the Board on specific topics.

During the year ended August 31, 2007, the Company effected changes in internal control over financial reporting that have materially affected, or may materially affect, the Company's internal control over financial reporting. The Company has (i) taken steps to improve segregation of duties and the authorization process through the addition of accounting personnel; and (ii) reviewed and refined internal control processes; and (iii) adopted and published new corporate governance policies; and (iv) reviewed and improved general controls over information technology; and (v) enhanced financial control over period close processes. During the year ended August 31, 2009 there were no significant changes with regard to internal control over financial reporting that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, and evaluating the effectiveness of the Company's internal control over financial reporting as at each fiscal year end. Management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of the Company's internal control over financial reporting as at August 31, 2009. Based on this evaluation, management has concluded that as at August 31, 2009, the Company's internal control over financial reporting was effective.

The Company's evaluation of internal control over financial reporting has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, who have expressed their opinion in their report included with the Company's annual consolidated financial statements.

9. NYSE AMEX LLC CORPORATE GOVERNANCE

The Company's common shares are listed on the NYSE AMEX LLC (formerly the American Stock Exchange) ("NYSE-AMEX"). Section 110 of the NYSE-AMEX company guide permits NYSE-AMEX to consider the laws, customs and practices of foreign issuers in relaxing certain AMEX listing criteria, and to grant exemptions from NYSE-AMEX listing criteria based on these considerations. A company seeking relief under these provisions is required to provide written certification from independent local counsel that the non-complying practice is not prohibited by home country law. A description of the significant ways in which the Company's governance practices differ from those followed by domestic companies pursuant to NYSE-AMEX standards is posted on the Company's website at www.platinumgroupmetals.net and a copy of such description is available by written request made to the Company.

10. OTHER INFORMATION

Additional information relating to the Company, including the Company's Annual Information Form for the year ended August 31, 2009, may be found on SEDAR at www.sedar.com . and on EDGAR at www.sec.gov.

11. SUBSEQUENT EVENTS

During September 2009 the Company was granted prospecting rights for a 118 square kilometre area named the Waterberg Project north of the known North Limb of the Bushveld Complex. The Company holds an initial 74% interest in the project and a private South African BEE firm holds a 26% interest. Magnetic, gravity, and general trends all indicate that the North Limb extends under shallow cover in this area and initial geochemical sampling confirms this interpretation. The Company subsequently entered into a farm-in agreement with JOGMEC for this project whereby JOGMEC can earn a 37% project interest (one half of the Company's interest) by funding $3.2m in exploration expenditures over a 4 year period. The Company will carry out exploration programs for the project and this work will commence shortly.

Subsequent events of a non-material nature may be discussed elsewhere within this document.

12. LIST OF DIRECTORS AND OFFICERS

a) Directors:

R. Michael Jones
Frank R. Hallam (Secretary)
Iain McLean
Eric Carlson
Barry W. Smee

b) Officers:

R. Michael Jones (Chief Executive Officer)
Frank R. Hallam (Chief Financial Officer)
Peter C. Busse (Chief Operating Officer)

PLG:AMEX PTM:TSX

Annual Information Form of Platinum Group Metals Ltd.
For year ended: August 31, 2009

Annual Information Form – November 30, 2009

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Documents Incorporated by Reference

Incorporated by reference into this Annual Information Form ("AIF") are the Consolidated Financial Statements of Platinum Group Metals Ltd. for the year ended August 31, 2009 as filed on November 30, 2009.

All financial information in this Annual Information Form is prepared in accordance with generally accepted accounting principles in Canada.

Date of Information

All information in this Annual Information Form is as of August 31, 2009 unless otherwise indicated.

Currency and Exchange Rates

All dollar amounts in this Annual Information Form are expressed in Canadian dollars unless otherwise indicated. Platinum Group Metals Ltd. accounts are maintained in Canadian dollars. All references to "U.S. dollars" or to "US$" are to U.S. dollars. All references to "ZAR" or to "R" or to "Rand" are to South African Rand.

The following table sets forth the rate of exchange for the Canadian dollar expressed in United States dollars in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods based on the noon rate of exchange as reported by the Bank of Canada for conversion of Canadian dollars into United States dollars.

Canadian Dollars to U.S. Dollars	:nded August 31		
	2009	**2008**	**2007**
Rate at end of period	US$0.9118	US$0.9411	US$0.9466
Average rate for period	US$0.8484	US$0.9961	US$0.8921
High for period	US $0.9711	US$1.0905	US$0.9641
Low for period	US $0.7653	US$0.9365	US$0.8437

The noon rate of exchange on November 27, 2009 as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was Canadian $1.00 equals US$0.94.

The following table sets forth the rate of exchange for the South African Rand, expressed in Canadian dollars in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods based on the noon rate of exchange as reported by the Bank of Canada for conversion of South African Rand into Canadian dollars.

South African Rand to Canadian Dollars	:nded August 31		
	2009	**2008**	**2007**
Rate at end of period	$ 0.1409	$0.1380	$ 0.1474
Average rate for period	$0.1304	$0.1367	$ 0.1546
High for period	$ 0.1108	$0.1222	$ 0.1422
Low for period	$ 0.1502	$0.1514	$ 0.1692

The noon rate of exchange on November 27, 2009 as reported by the Bank of Canada for the conversion of South African Rand into Canadian dollars was one South African Rand equals Canadian $0.1433.

Metric Equivalents

For ease of reference, the following factors for converting Imperial measurements into metric equivalents are provided:

To convert from Imperial	To metric	Multiply by
Acres	Hectares	0.404686
Feet	Metres	0.30480
Miles	Kilometres	1.609344
Tons	Tonnes	0.907185
Ounces (troy)/ton	Grams/Tonne	34.2857

Terms used and not defined in this Annual Information Form that are defined in National Instrument 51-102 Continuous Disclosure Obligations shall bear that definition. Other definitions are set out in National Instrument 14-101 Definitions, as amended.

Forward Looking Statements

The information contained within this AIF is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of the fiscal year ended August 31, 2009, unless stated otherwise. Except for statements of historical fact, the information contained herein constitutes forward looking statements within the meaning of Canadian and U.S. securities laws. Forward-looking statements are frequently, but not always, identified by words such as "expects," "anticipates," "believes," "intends," "estimates," "potential," "possible" and similar expressions, or statements that events, conditions or results "will," "may," "could" or "should" occur or be achieved. Information concerning the interpretation of drill results and mineral resource or reserve estimates also may be deemed to be forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those described in this AIF under the heading "Risk Factors."

Forward looking statements are based on the opinions, plans and estimates of management at the date the statements are the Company undertakes no obligation to update forward looking statements if circumstances or management's estimates, plans or opinions should change. The reader is cautioned not to place undue reliance on forward looking statements.

Cautionary Note to United States Readers – Differences Regarding the Definitions of Resource and Reserve Estimates in the United States and

Canada

Mineral Reserve The definitions of "mineral reserves", "proven mineral reserves" and "probable mineral reserves," as used in this report, are Canadian mining terms as defined in accordance with *National Instrument 43-101 - Standards of Disclosure for Mineral Projects* under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resources and Mineral Reserves Definitions and guidelines adopted by the CIM Council on August 20, 2000. CIM standards differ from the standards in the United States.

Under United States standards, a "mineral reserve" is defined as a part of a mineral deposit which could be economically and legally extracted or produced at the time the mineral reserve determination is made, where:

> "reserve" means that part of a mineral deposit which can be economically and legally extracted or produced at the time of the reserve determination;
>
> "economically" implies that profitable extraction or production has been established or analytically demonstrated to be viable and justifiable under reasonable investment and market assumptions; and
>
> while "legally" does not imply that all permits needed for mining and processing have been obtained or that other legal issues have been completely resolved, for a reserve to exist, there should be a reasonable certainty based on applicable laws and regulations that issuance of permits or resolution of legal issues can be accomplished in a timely manner.

Mineral reserves are categorized as follows on the basis of the degree of confidence in the estimate of the quantity and grade of the deposit.

Under United States standards, proven or measured reserves are defined as reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes, grade and/or quality are computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geographic character is so well defined that size, shape, depth and mineral content of reserves are well established.

Under United States standards, probable reserves are defined as reserves for which quantity and grade and/or quality are computed from information similar to that of proven reserves (under United States standards), but the sites for inspection, sampling, and measurement are further apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven mineral reserves, is high enough to assume continuity between points of observation.

Mineral Resource While the terms "mineral resource," "measured mineral resource," "indicated mineral resource," and "inferred mineral resource" are recognized and required by Canadian regulations, they are not defined terms under standards in the United States. As such, information contained in this report concerning descriptions of mineralization and resources under Canadian standards may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the United States Securities and Exchange Commission ("SEC"). "Indicated mineral resource" and "inferred mineral resource" have a great amount of uncertainty as to their existence and a great uncertainty as to their economic and legal feasibility. It can not be assumed that all or any part of an "indicated mineral resource" or "inferred mineral resource" will ever be upgraded to a higher category. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.

Corporate Structure

Platinum Group Metals Ltd. head office is located at:

328 – 550 Burrard Street
Vancouver, British Columbia
Canada, V6C 2B5

The Company's registered office is located at:

Gowling Lafleur Henderson LLP
2300 - 550 Burrard Street
Vancouver, British Columbia
Canada, V6C 2B5

Platinum Group Metals Ltd. ("Platinum Group" or the "Company") is a British Columbia corporation incorporated on February 18, 2002 by an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation. The Company was later transitioned on February 22, 2005 under the *Business Corporations Act* (British Columbia). On February 22, 2005, the Company's shareholders passed a special resolution to amend the authorized share capital from 1,000,000,000 common shares without par value to an unlimited number of common shares without par value, to remove the Pre-existing Company Provisions and to adopt new articles.

Platinum Group Metals and its Principal Subsidiaries

Platinum Group Metals Ltd. Vancouver, Canada
‖
Platinum Group Metals (RSA) (Pty) Ltd. Johannesburg, RSA Owned 100% PTM
‖
Wesplats Holdings (Pty) Limited Johannesburg, RSA Owned 100% PTM RSA

The Company has two wholly-owned subsidiaries which are incorporated under the company laws of The Republic of South Africa. The Company conducts all of its South African exploration and development work though its wholly-owned direct subsidiary, Platinum Group Metals (RSA) (Pty) Limited ("PTM-RSA") . PTM-RSA holds 100% of the shares of a property holding company named Wesplats Holding (Proprietary) Limited. ("Wesplats"). The registered and records office of PTM-RSA and Wesplats are located at 4 th Floor, Aloe Grove, 196 Louis Botha Avenue, Houghton Estate, Johannesburg, 2000, Gauteng Province, Republic of South Africa. The principal business address of the Company is Suite 328, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5. The principal business address of PTM-RSA is Technology House, Greenacres Office Park, Victory Park, Johannesburg 2193, Gauteng Province, South Africa.

General Development of the Business

Since the Company was formed in 2002, it has been focused on the development of platinum operations. The Company is focused on bringing its Western Bushveld Joint Venture ("WBJV") platinum project to production. Total global project expenditures for the Company's account in fiscal 2009, including the Company's share of WBJV development expenditures totaled $1,468,188 (2008 - $6,733,094, 2007 - $4,531,533), and of this $1,236,391 (2008 - $6,132,281, 2007 - $3,775,890) was for the WBJV and $231,797 (2008 - $388,973, 2007 - $755,643) was spent for other exploration net of recoveries from third parties. After meeting its earn in requirements in April 2006, PTM-RSA has only been responsible for its 37% pro-rata share of expenditures for the WBJV.

For details of the Company's acquisition and exploration of its mineral properties please refer to Notes 5 and 6 of its consolidated financial statements for the year ended August 31, 2009.

Western Bushveld Joint Venture, Western Limb, South Africa

On October 26, 2004, the Company entered into the Western Bushveld Joint Venture Agreement and announced the formation of the WBJV with Anglo Platinum Limited ("Anglo Platinum") and Africa Wide Mineral Prospecting and Exploration (Pty) Limited ("Africa Wide") in relation to a platinum exploration and development project on combined mineral rights covering approximately 67 square kilometers on the Western Bushveld Complex of South Africa. In April 2007, Anglo Platinum contributed a further 5 square kilometer area into the WBJV. The WBJV was divided into three distinct project areas, namely Projects 1, 2 and 3. The ownership interests of the WBJV were originally structured as 37% by Rustenburg Platinum Mines Ltd. ("RPM"), a subsidiary of Anglo Platinum, 26% by Africa Wide, who were later acquired in 2007 by Johannesburg Stock Exchange listed black economic empowerment company Wesizwe Platinum (Pty) Ltd. ("Wesizwe") and 37% by PTM-RSA, the operator of the joint venture.

On January 10, 2007, the Company completed a positive pre-feasibility study for the Project 1 area of the WBJV. During 2007 the WBJV then commissioned a Feasibility Study for the Project 1 area of the WBJV, which was completed and delivered to the partners of the WBJV on June 30, 2008.
The Feasibility Study and revised resource estimation for the Project 1 area of the WBJV was dated July 7, 2008, was titled "Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)" and was filed by the Company on www.sedar.com on August 21, 2008. The Feasibility Study considers and outlines the details and mitigation of several considered projects risks, assessed in full detail, including metallurgical recoveries, smelting and refining costs, surface and mining rights, permits, and involvement of communities in compliance with the Minerals and Petroleum Resources Development Act (2002).

The Feasibility Study's findings were positive for a platinum mine in the Project 1 area of the WBJV. The Feasibility Study made a declaration of mineable reserves and outlined a scope for an underground mine producing 160,000 ounces per annum platinum or 250,000 ounces per annum platinum, palladium, rhodium and gold in concentrate.

An Updated Feasibility Study and revised resource estimation for the Project 1 area of the WBJV dated October 9, 2009 and titled “Technical Report (Updated Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)” was filed by the Company on www.sedar.com on November 25, 2009. The revised resource estimation indicates that measured and indicated resources have increased as a result of further drilling in the Project 1 & 1A areas. These upgraded ounces have not yet been included in the mineable Reserves of the Updated Feasibility mine plan. The Updated Feasibility Study recommends a series of five simultaneous declines accessing the deposit with a mining rate of up to 156,000 reef tonnes per month, which provides 13 years of steady state tonnage production. First ore is reached by development 13 months from the commencement of underground work. Mining is only scheduled on the reserves. There are further defined resources in the Project 1 area which represent additional production potential. The mining and development plan includes conventional hand held drilling utilizing electrical drills and scraper winch cleaning.

The Project 1 mine design as described in the Updated Feasibility Study involves the construction of a platinum mine and concentrator to produce approximately 275,000 ounces of combined platinum, palladium, rhodium and gold (“4E”) in concentrate per year steady state for 9 years with a 22 year total underground mine life. The capital cost for the mine and concentrator complex were estimated at R3.55 billion (approximately $505 million at the time of writing) for peak funding and R4.76 billion (approximately $677 million at the time of writing) for life of mine funding. The current peak funding capital cost estimate is approximately R500 million (approximately $71 million) lower than the July 2007 estimate, primarily due to the reduction in capital costs resulting in a design change from 100% diesel self electrical generation capacity to a 25% stand by capacity as well as from improved mine development planning.

The results of the Updated Feasibility Study show a 23.54% Internal Rate of Return “IRR” (pre-tax) Base Case, using 3 year trailing metal prices to September 2009, calculated on the monthly averages including US$1,343 per ounce for platinum. The Updated Feasibility Study model does not include escalation due to inflation of costs or metal prices.

Under the terms of the original WBJV Agreement, once a bankable feasibility study was completed and a decision to mine was taken, the respective deemed capital contribution of each party would be credited based on their contribution of measured, indicated, and inferred platinum group metal (“PGM”) ounces from the contributed properties comprising the WBJV. The ounces contributed would be determined based upon, and at the time of, the bankable feasibility study in accordance with the South African SAMREC code and agreed amongst the parties on a “Determination Date”. Under the terms of the original WBJV Agreement, inferred ounces are credited at US$0.50 per ounce, indicated ounces are credited at US$3.20 per ounce and measured ounces are to be credited at US$6.20 per ounce. The Company is also to receive credit for its R35 million initial expenditure. For the later contribution of the approximately 5 square kilometre farm named Portion 11 to the WBJV by RPM in April 2007 the credit rates for equalization on that property were set at US$0.62 per inferred ounce, US$10.37 per indicated ounce and US$39.55 per measured ounce in order to adjust for market conditions at the time.

At the date of this report, and subject to exchange rate fluctuations, the Company’s equalization payment is estimated at $26.6 million, including interest.

On September 2, 2008, the Company announced that the parties to the WBJV had agreed to terms whereby the ownership of the WBJV would be consolidated and rationalized (the “Consolidation Transaction”) (see the Company’s September 2, 2008 announcement) and on December 9, 2008, the Company announced that it had executed definitive agreements in this regard. Under the terms PTM-RSA has the right to acquire effective ownership of 74% of WBJV Projects 1 and 3 and Wesizwe will acquire 100% of Project 2 and 26% of Projects 1 and 3. The transactions are to become effective upon fulfillment of all conditions precedent and regulatory approvals including the approval of the Department of Mineral Resources, Republic of South Africa, for Section 11 transfers of mineral rights pursuant to the Mineral and Petroleum Resources Development Act. At the time of this report all conditions precedent have been satisfied with the exception of the receipt of several outstanding approvals for Section 11 transfers and the registration of titles. These final conditions are expected to be complete in the near future. Once all title transfers and registrations are complete the Company’s equalization payment will be due to Anglo Platinum, as described above.

Upon the effective date of the Consolidation Transaction, Anglo Platinum will vend its 37% interest in the WBJV to Wesizwe in exchange for common shares representing approximately a 26% interest in Wesizwe. PTM-RSA will concurrently acquire a 54.75% interest in Projects 1 and 3 through a direct shareholding in a corporation that will hold all of the interests in Project 1 and 3 (“Holdco”), the other 45.25% being held by Wesizwe. PTM-RSA will also acquire a right to subscribe for additional shares in Holdco to increase its stake in Project 1 and 3 to 74%. In exchange PTM-RSA will deliver to Wesizwe PTM-RSA’s interest in Project 2 valued at R376.9 million (approx. CAD$53 million) and a cash payment of R408.6 million (approx. CAD$57 million). The R408.6 million cash payment will be made by PTM-RSA to Holdco for the subscription of shares as described above. The subscription payment will be due 270 days after the effective date of the Consolidation Transaction. The payment proceeds will be held in escrow by Holdco to be applied towards Wesizwe’s 26% share of funding for Projects 1 and 3. Should the Company not make all of the required cash subscription, its interest in the projects would remain at 54.75% accordingly, unless Wesizwe and the Company agree upon alternative arrangements.

Under the new agreement, Anglo Platinum will hold a 60 day first right of refusal on the sale of ore or concentrate over the original WBJV mineral rights.

War Springs and Tweespalk, North Limb, South Africa

The Company has been active with an exploration program on its War Springs and Tweespalk projects in South Africa on the North Limb of the Bushveld Complex since 2005, consisting of diamond drilling, geophysical surveys and ground prospecting. In 2005 and 2006 the Company declared an inferred resource for the War Springs project. See NI 43-101 technical report titled “Inferred Resource Declaration (Amended), War Springs (Oorlogsfontein 45KS), Northern Limb Platinum Property” as filed on SEDAR in January 2006.

Subject to vendor payments due upon a decision to mine, the Company holds a 70% interest in the War Springs Project and Africa Wide and Taung Platinum Exploration (Pty) Ltd. (“Taung Platinum”) each hold a 15% interest carried to feasibility study. Taung Platinum is an affiliated company of Moepi Platinum (Pty.) Ltd., which is Platmin Ltd.’s (PPN-TSX) Black Economic Empowerment partner in South Africa.

Subject to vendor payments due upon a decision to mine, the Company also holds a 70% interest in the Tweespalk property. Africa Wide has a 30% participating interest in the Tweespalk property.

In March 2009, the Company announced an agreement with Japan Oil, Gas and Metals National Corporation (“JOGMEC”), an incorporated administrative institution of the Government of Japan, for an optional US$10 million over 5 years to earn 35% (one half of the Company’s interest) of Platinum Group’s War Springs Project interest. Drilling was undertaken on the project funded by JOGMEC for several months in 2009. The first year firm commitment of US$500,000 to be incurred by March 31, 2009 was completed with approximately 4,102 metres drilled to that date. Drilling was undertaken after March 31st and a further 840 metres were drilled to August 31, 2009. Total expenditures incurred by JOGMEC to August 31, 2009 amounted to approximately $795,926. At November 27, 2009 two drills were operating on the War Springs project area funded by JOGMEC.

The War Springs deposit comes to surface at a low grade but with a favourable thickness of 6.5 to 8.0 metres. Exploration at depth around the nearby open pit PPRust platinum mine has shown impressive grades and thicknesses, including, the Akanani deposit sold by Afriore to Lonmin in 2007. Deep drilling has never been executed at War Springs and it will be a part of the program funded by JOGMEC. The War Springs property covers 22 square kilometres and is located 24 kilometres south of the Anglo Platinum open pit PPRust Platinum mine along the same “Platreef” section of the Bushveld Complex.

New Business, Bushveld Complex, South Africa

In 2008 the Company conducted a new business generative program including research and implementation, including the application for several new license areas on or near to the Bushveld Complex. The Company received the grant of several new prospecting permits in 2008 and 2009 as a result of this work. The Company entered into an exploration joint venture with Sable Platinum (Pty) Ltd. (“Sable”) in 2008 with respect to new prospecting permits located at the eastern end of the

Western Bushveld Complex encompassing 110.62 square kilometers. Sable has the right to earn a 51% interest in the joint venture by spending 51 million Rand in exploration costs over 5 years. A private empowerment group holds 26% and the Company will operate the exploration program and retain a 23% interest when the earn-in is complete.

During September 2009 the Company was granted prospecting rights for a 118 square kilometre area named the Waterberg Project north of the known North Limb of the Bushveld Complex. The Company holds an initial 74% interest in the project and a private South African Black Economic Empowerment firm holds a 26% interest. Magnetic, gravity, and general trends all indicate that the North Limb extends under shallow cover in this area and initial geochemical sampling confirms this interpretation. The Company subsequently entered into a farm-in agreement with JOGMEC for this project whereby JOGMEC can earn a 37% project interest (one half of the Company's interest) by funding $3.2m in exploration expenditures over a 4 year period. The Company will carry out exploration programs for the project and this work will commence in late 2009 and into 2010.

Lac Des Iles, Ontario, Canada

Since 2002 the Company has held and maintained a large strategic mineral rights position at Lac Des Iles north of Thunder Bay, Ontario. Over the years exploration work has included prospecting, trenching, drilling and ground based geophysical surveys. Several zones of prospective palladium, platinum and gold mineralization in association with copper/nickel sulphides have been located on the project area hosted within intrusive settings similar to those found at the nearby Lac Des Iles Mine operated by North American Palladium Inc. During early 2008 the Company conducted work on this Canadian project including a 1,125 metre drill program, followed up by a further small drilling program in late 2008. No further work was conducted on the project during 2009. The Company maintains this large mineral rights position as a strategic holding against increasing prices for palladium and platinum. Encouraging exploration results for palladium, platinum, nickel and copper continue to be returned and the Company plans to invest further in this area in the future.

Significant Acquisitions

Agreements with Anglo Platinum and Wesizwe to consolidate and rationalize the ownership of the WBJV were executed in December 2008. Under the terms of the agreements the Company may increase its interests in the Project 1 and 3 areas of the WBJV to 74%. See details above in this section "General Development of the Business".

Description of the Company's Business

The Company is a British Columbia corporation incorporated on February 18, 2002 by an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation. The Company is a platinum focused exploration and development company conducting work primarily on mineral properties it has staked or acquired by way of option agreement in the Republic of South Africa and in Ontario, Canada.

Platinum Group Metals Ltd. is headquartered in Vancouver, British Columbia. The Company and its consolidated subsidiaries employ approximately 40 people in Canada and South Africa, with the majority of employees living and working in South Africa.

General

Our business is conducted primarily in South Africa, and to a lesser extent, in Ontario, Canada. As at the date hereof, our WBJV Project in South Africa constitutes our only material property which has an outlined mineral reserve estimate. Planned exploration activities for fiscal 2010 on projects outside of the WBJV include further additional soil sampling, geophysical surveys, mapping and drilling on the War Springs and Waterberg Projects on the North Limb of the Bushveld Complex in South Africa.

The WBJV is a platinum exploration and development project on combined mineral rights covering approximately 72 square kilometres on the Western Bushveld Complex of South Africa. The majority of the Company's exploration and development activities to date have been focused on the WBJV and the completion and updating of a definitive feasibility study for the Project 1 area of that property. In 2008 the Company determined that Project 1 of the WBJV contains ore reserves that are economically recoverable. As well, since 2008, the Company has been preparing for the possible execution of a mine build program for Project 1, subject to project financing. See more detail above in "General Development of the Business" and below in "Western Bushveld Joint Venture".

The Company also holds interests in various other early stage exploration projects located in Canada and in South Africa. The Company continues to evaluate exploration opportunities both on currently owned properties and on new prospects. Details of these other projects may be found in Note 6 of the Company's August 31, 2009 audited financial statements and above in "General Development of the Business".

Under Canadian GAAP the Company currently defers all acquisition, exploration and development costs related to mineral properties. The recoverability of these amounts is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of the property, and any future profitable production; or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

To conduct its exploration and planning, the Company is dependent on sub-contractors for certain engineering, geological services, drilling equipment and supplies. These are generally available but vary in price and immediacy of availability subject to demand.

Risk Factors

The Company's securities should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in the Company's Canadian and U.S. regulatory filings prior to making an investment in the Company.

The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in the forward-looking statements relating to the Company.

General

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity or quality to return a profit from production.

The Company will need additional financing

Although the Company's cash position is sufficient to fund general operating costs through to mid fiscal 2010, the Company will require additional capital in the future to meet its project development related expenditures. It is unlikely that the Company will generate sufficient operating cash flow to meet all of these expenditures in the foreseeable future. Accordingly, the Company will need to raise additional capital by issuance of securities or by a sale or partnering of project interests in order to meet all of the payment requirements of the transaction announced December 9, 2008. The Company has completed a Feasibility Study and Updated Feasibility Study for the Project 1 area of the WBJV. If and when a production decision is taken, the Company may pursue both equity and debt financings for its share of the capital requirements for that project. There can be no assurance that the Company will be successful in obtaining any required financing now or in the future. Failure to obtain additional financing on a timely basis could result in delay or indefinite postponement of further exploration and development of the Company's mineral properties, with the possible reduction of interest or loss of such properties, or the inability to acquire any additional properties.

Metal prices affect the success of the Company's business

Metal prices have historically been subject to significant price fluctuations over the last two year period. No assurance may be given that metal prices will remain stable. Significant price fluctuations over short periods of time may be generated by numerous factors beyond the control of the Company, including domestic and international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increases or decreases in production due to improved mining and production methods. Significant or continued reductions or volatility in metal prices may have an adverse effect on the Company's business, including the amount of the Company's reserves, the economic attractiveness of the Company's projects, the Company's ability to obtain financing and develop projects and, if the Company's projects enter the production phase, the amount of the Company's revenues or profit or loss.

The Company's business is subject to exploration and development risks

With the exception of Project 1 of the WBJV, all of the Company's properties are in the exploration stage and no known reserves have been discovered on such properties. At this stage, favorable drilling results, estimates and studies are subject to a number of risks, including:

- the limited amount of drilling and testing completed to date;
- the preliminary nature of any operating and capital cost estimates;
- the difficulties inherent in scaling up operations and achieving expected metallurgical recoveries;
- the likelihood of cost estimates increasing in the future; and
- the possibility of difficulties procuring needed supplies of electrical power and water.

There is no certainty that the expenditures to be made by the Company or by its joint venture partners in the exploration of the properties described herein will result in discoveries of precious metals in commercial quantities or that any of the Company's properties will be developed. Most exploration projects do not result in the discovery of precious metals and no assurance can be given that any particular level of recovery of precious metals will in fact be realized or that any identified resource will ever qualify as a commercially mineable (or viable) resource which can be legally and economically exploited. The resource and reserve estimates contained in this Annual Information Form have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permit regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade and/or quantity of precious metals ultimately recovered may differ from that indicated by drilling results. There can be no assurance that precious metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. Extended declines in market prices for platinum, palladium, rhodium and gold may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition.

Economic and political instability may affect the Company's business

From mid calendar 2008 until early 2009 there had been a negative trend with regard to the market for metal commodities and related products as a result of global economic uncertainty, reduced confidence in financial markets, bank failures and credit availability concerns. Those macro-economic events negatively affected the mining and minerals sectors in general. The Company's market capitalization was significantly reduced during that period. Although market conditions are improving, the Company's liquidity and its long term ability to raise the capital required to execute its business plans remain uncertain. As a result the Company will consider its plans and options carefully going forward into 2010. The Company intends to preserve its cash balances to the greatest extent possible while still striving to execute its business plans.

The Company has assessed the carrying values of its mineral properties. Based on current and expected metals prices and cost structures, management has determined that the values of the Company's mineral properties have not been impaired at this time. However, should current market conditions and commodity prices worsen and persist in a worsened state for a prolonged period of time, an impairment of mineral properties may be required.

South Africa has undergone significant changes in its government and laws since the free elections in 1994. At present, mining legislation in South Africa is continuing to undergo change. The new Mineral and Petroleum Resources Development Act became law on May 1, 2004. The regulation and operation of this new law is still being implemented. In association with the new Act, the Mining Charter sets out a target of 26% ownership and participation in the mineral industry by "Historically Disadvantaged Persons" within ten years, but the mechanisms to fully affect this objective are still evolving. Accordingly, the South African legal regime may be considered relatively new, resulting in risks related to the possible misinterpretation of new laws, unilateral modification of mining or exploration rights, operating restrictions, increased taxes, environmental regulation, mine safety and other risks arising out of new sovereignty over mining, any or all of which could have an adverse effect on the Company. There is no certainty that the Company will be able to convert its existing exploration rights into mining rights. The Company's operations in general may also be affected in varying degrees by political and economic instability, terrorism, crime, fluctuations in currency exchange rates and inflation.

The Company requires various permits in order to conduct its current and anticipated future operations, and delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company.

The Company's current and anticipated future operations, including further exploration, development activities and commencement of production on the Company's properties, require permits from various South African federal, state, provincial, territorial and local governmental authorities. In particular, the Company must obtain a mining license for the WBJV Project 1 and an Environmental Impact Assessment must be completed. Although it is probable that the Company will be granted a mining license, there can be no absolute assurance that all licenses and permits which the Company requires for the construction of mining facilities and the conduct of mining operations will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such licenses and permits, or a failure to comply with the terms of any such licenses and permits that the Company has obtained, could have a material adverse impact on the Company.

The Company is subject to the risk of fluctuations in the relative values of the Canadian Dollar as compared to the South African Rand and the United States Dollar

The Company may be adversely affected by foreign currency fluctuations. The Company is primarily funded through equity investments into the Company denominated in Canadian Dollars. In the normal course of business the Company enters into transactions for the purchase of supplies and services denominated in South African Rand. The Company also has cash and certain liabilities denominated in South African Rand. Several of the Company's options to acquire properties or surface rights in the Republic of South Africa may result in payments by the Company denominated in South African Rand or in U.S. Dollars. Exploration, development and administrative costs to be funded by the Company in South Africa will also be denominated in South African Rand. Fluctuations in the exchange rates between the Canadian Dollar and the South African Rand or U.S. Dollar may have an adverse or positive affect on the Company. In the past year to November 23, 2009 the South African Rand has appreciated to the Canadian dollar by approximately 15% and the Canadian dollar has appreciated to the American dollar by approximately 11%.

Not all of the Surface Rights for the WBJV Project 1 have been purchased.

Not all of the surface rights over the proposed infrastructure design in the Updated Feasibility Study have been purchased. An allowance for the cost of this has been made and the *Mineral Petroleum Development Act* (South Africa) does provide a legal framework to allow that access to the minerals can be achieved at a reasonable cost; however there is no certainty that this process will be successful or timely. Platinum Group has purchased approximately 575 hectares of land over part of the deposit or adjacent to an area of the mine that may be useable for mine access and infrastructure. Platinum Group also holds a further 365 hectares adjacent to the south west of the deposit area. The purchased areas have not been tested for suitability and amendments to the mine plan, capital and operating cost estimates that would be required to relocate the mine infrastructure have not yet been completed. The failure to purchase the necessary surface rights will likely increase the costs of developing Project 1 and it may prevent or delay the development of Project 1.

The Company's properties are subject to title risks

The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. These defects could adversely affect the Company's title to such properties or delay or increase the cost of the development of such properties. In addition, the Company's properties may be subject to aboriginal or other historical rights that may be claimed on Crown properties or other types of tenure with respect to which mineral rights have been conferred.

The mineral exploration industry is extremely competitive

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies that possess greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable new producing properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel.

South African foreign exchange controls may limit repatriation of profits.

Loan capital or equity capital may be introduced into South Africa through a formal system of Exchange Control. Proceeds from the sale of assets in South Africa owned by a non-resident are remittable to the non-resident. Approved loan capital is generally remittable to a non-resident company from business profits. Dividends declared by a non-listed South African company are remittable to non-resident shareholders. However, there can be no assurance that restrictions on repatriation of earnings from the Republic of South Africa will not be imposed in the future.

Judgments based upon the civil liability provisions of the United States federal securities laws may be difficult to enforce.

The ability of investors to enforce judgments of United States courts based upon the civil liability provisions of the United States federal securities laws against our company and our directors and officers may be limited due to the fact that a majority of these persons reside outside of the United States and, in respect of our directors and officers, their assets are located outside the United States. There is uncertainty as to whether Canadian courts would: (i) enforce judgments of United States courts obtained against our company or our directors and officers predicated upon the civil liability provisions of the United States federal securities laws, or (ii) entertain original actions brought in Canadian courts against our company or such persons predicated upon the federal securities laws of the United States, as such laws may conflict with Canadian laws. In Canada, civil rights are within the legislative jurisdiction of the Provinces and Territories. The Province of British Columbia, in which our company and all of our directors and officers are resident, does not have laws for the reciprocal enforcement of judgments of United States courts.

The Company is a Passive Foreign Investment Company for United State Federal Income Tax Purposes which may have consequences for U.S. investors.

If the Company constitutes a "passive foreign investment company" for any taxable year during a U.S. shareholder's holding period, it would likely result in materially adverse US federal income tax consequences for such US shareholder.

The Company will be designated as a "passive foreign investment company" under the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended (a "PFIC") if (a) 75% or more of its gross income is "passive income" (generally, dividends, interest, rents, royalties, and gains from the disposition of assets producing passive income) in any taxable year, or (b) if at least 50% of the average value of our assets produce, or are held for the production of, passive income. U.S. shareholders should be aware that the Company likely constituted a PFIC during the taxable year ended August 31, 2009. If the Company is designated as a PFIC for any taxable year during which a U.S. shareholder holds the Company's common shares, it would likely result in materially adverse U.S. federal income tax consequences for such U.S. shareholder, including, but not limited to, any gain from the sale of the Company's common shares would be taxed as ordinary income, as opposed to capital gain, and such gain and certain distributions on the Company's common shares would be subject to an interest charge, except in certain circumstances. In addition, U.S. shareholders should be aware that there can be no assurances that the Company will satisfy the record keeping requirements that apply to a PFIC, or that the Company will supply U.S. shareholders with the information that such U.S. shareholders require to make certain elections available under the Code that are intended to mitigate the adverse tax consequences of the PFIC rules. The PFIC rules are extremely complex. A. U.S. shareholder of the Company's common shares is encouraged to consult a tax advisor regarding the PFIC Rules and the US federal income tax consequences of the acquisition, ownership, and disposition of the Company's common shares.

The Company is subject to significant governmental regulation .

The Company's operations and exploration and development activities in South Africa and Canada are subject to extensive federal, state, provincial, territorial and local laws and regulation governing various matters, including:

- environmental protection;
- management and use of toxic substances and explosives;
- management of natural resources;
- exploration, development of mines, production and post-closure reclamation;
- exports;
- price controls;
- taxation;
- regulations concerning business dealings with native groups;
- labor standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in the Company incurring significant expenditures. The Company may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or a more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of the Company's properties.

The Company's operations are subject to environmental laws and regulation that may increase the Company's costs of doing business and restrict its operations.

Environmental legislation on a global basis is evolving in a manner that will ensure stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed development and a higher level of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes to environmental legislation in Canada or South Africa will not adversely affect the Company's operations. Environmental hazards may exist on the Company's properties which are unknown at present and which have been caused by previous or existing owners or operators. Furthermore, future compliance with environmental reclamation, closure and other requirements may involve significant costs and other liabilities. In particular, the Company's operations and exploration activities are subject to Canadian and South African national and provincial laws and regulations governing protection of the environment. Such laws are continually changing and, in general, are becoming more restrictive.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

The Company has not made any material expenditure for environmental compliance to date. However, there can be no assurance that environmental laws will not give rise to significant financial obligations in the future and such obligations could have a material adverse affect on the Company's financial performance.

Mining is inherently dangerous and subject to conditions or events beyond the Company's control, which could have a material adverse effect on the Company's business.

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fire, flooding and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company’s securities.

The Company has limited experience with development-stage mining operations.

Although there are personnel within the Company who have experience with development-stage mining operations, the Company’s ability to place projects into production will be dependent upon using the services of both mining contractors and additional appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available the necessary expertise when and if the Company places its mineral properties into production.

The Company has a history of losses and it anticipates continuing to incur losses for the foreseeable future.

The Company has a history of losses including net losses of $7,013,452 in the year ended August 31, 2009; $5,086,589 in the year ended August 31, 2008; and $6,758,123 in the year ended August 31, 2007. At August 31, 2009 the Company had an accumulated deficit of $34,268,968 while at August 31, 2008, the accumulated deficit was $27,255,516 and at August 31, 2007 the accumulated deficit was $22,168,927. The Company anticipates continued losses for the foreseeable future until it can successfully place one or more of its properties into commercial production on a profitable basis.

The Company has a lack of cash flow, which may affect its ability to continue as a going concern. It is an exploration and development company with a history of losses and no history of revenues from its operations. None of the Company’s properties are currently in production, and although an Updated Feasibility Study indicates a positive economic model for Project 1 of the WBJV, there is no certainty that the Company will succeed in placing that project into production in the near future, if at all. During the year ended August 31, 2009 the Company had a loss of $7,013,452. During the year ended August 31, 2008, the Company had a loss of $5,086,589 and for 2007 a loss of $6,758,123. The Company used $5,468,806 in cash for operating activities in 2009 and used $4,547,428 for that purpose in 2008 and $3,682,561 in 2007. The Company used $3,078,846 for investing activities in 2009, $8,574,127 in 2008 and $5,771,234 in 2007. Historically, the only source of funds available to the Company has been through the sale of its equity securities and minor cost recoveries.

The Company’s continuing operations and the recoverability of the amounts capitalized for mineral properties in its consolidated financial statements, prepared in accordance with Canadian GAAP, is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay our liabilities arising from normal business operations when they become due. External financing, predominately by the issuance of equity to the public, will be sought to finance our operations; however, there is no assurance that sufficient funds will be raised.

The Company is required to contribute its share of exploration and other costs to maintain its interests in certain properties.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and it may as a result be subject to loss or dilution of its rights to acquire interests in the properties subject to such agreements.

On December 9, 2008 the Company announced in a news release an agreement with Anglo Platinum and Wesizwe to consolidate and rationalize the WBJV. Under the terms of the transaction the Company will be responsible for material cash payments. See “General Development of the Business” above for details. For more details of the Company’s financial commitments see the Company’s August 31, 2009 audited year end financial statements and Management Discussion and Analysis, both available on SEDAR at www.sedar.com .

Most of the Company’s properties contain no known reserves.

Project 1 of the WBJV contains mineral reserves. The remaining properties are in the exploration stage meaning that the Company has not determined whether such properties contain mineral reserves that are economically recoverable. Failure to discover economically recoverable reserves on a mineral property will require it to write-off the costs capitalized for that property in its Canadian GAAP financial statements. At August 31, 2009 deferred acquisition, exploration and development costs related to all of the Company’s mineral property interests totaled $6,057,034 (2008 - $5,806,510 and 2007 - $5,375,656).

The Company depends on its key management employees.

The Company’s development to date has depended, and in the future will continue to depend, on the efforts of its key management figures: R. Michael Jones, the Company’s President, CEO and director; Frank R. Hallam, the Company’s Chief Financial Officer and director; and Peter Busse, the Company’s Chief Operating Officer. The loss of any of the Company’s key management figures could have a material adverse effect on it. The Company has entered into contracts with the named directors, officers and employees. It does not maintain key man insurance on any of its management.

The Company’s directors may be associated with other mineral resource companies.

Certain of the Company’s officers and directors may become associated with other natural resource companies that acquire interests in mineral properties. R. Michael Jones, the Company’s President, Chief Executive Officer and director is also a director of Jerico Explorations Inc., a public company with a mineral exploration property in Arizona, a director of MAG Silver Corp., a public company with silver properties in Mexico, and a director of Nextraction Energy Corporation, a public company with oil properties in Kentucky and Wyoming. Frank Hallam, the Company’s Chief Financial Officer and director, is also a senior officer of MAG Silver Corp., a director of Jerico Explorations Inc., a director Lake Shore Gold Corp, and a director of Nextraction. Eric Carlson, a director of the Company, is also a director of MAG Silver Corp., and a director of Nextraction. Any conflicts, which may arise, will be dealt with as disclosed below. Barry Smee, a director of the Company, is also a director of Almaden Resources Ltd., a company with projects in Mexico, the USA, and Canada.

Such associations may give rise to conflicts of interest from time to time. The Company’s directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project or opportunity of the Company. If a subject involving a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and our financial position at that time.

The Company has outstanding stock options which, if exercised, could cause dilution to existing shareholders.

At November 27, 2009, the Company had 6,116,625 stock options issued and outstanding with a weighted average exercise price of $2.05 per share. Stock options are likely to be exercised when the market price of the Company’s common shares exceeds the exercise price of such stock options. The exercise of such stock options and the subsequent resale of such common shares in the public market could adversely affect the prevailing market price and the Company’s ability to raise equity capital in the future at a time and price which it deems appropriate. The Company may also enter into commitments in the future which would require the issuance of additional common shares and the Company may grant additional share purchase warrants and stock options. Any share issuances from the Company’s treasury will result in immediate dilution to existing shareholders.

The Company’s share price has been volatile in recent years.

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of many companies, particularly those considered exploration or development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. In particular, the per share price of the Company’s common shares on the TSX fluctuated from a high of $2.86 to a low of $0.90 and on the NYSE AMEX from a high of US$2.43 to a low of US$0.79 within the twelve month period preceding the date of this Annual Information Form. There can be no assurance that continual fluctuations in price will not occur.

We do not expect to pay dividends.

We have not paid any dividends since incorporation and we have no plans to pay dividends for some time. Our directors will determine if and when dividends should be declared and paid in the future based on our financial position at the relevant time. All of the shares of Common Stock are entitled to an equal share of any dividends declared and paid.

Companies with Asset-back Securities Outstanding

The Company holds no asset-backed securities or commercial paper.

Western Bushveld Joint Venture

Readers are encouraged to read the following technical reports, from which the disclosure in this section has been derived:

1. Filed on SEDAR November 25, 2009: Updated Technical Report (Updated Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd); and
2. Filed on SEDAR July 15, 2009: Revised Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd); and
3. Filed on SEDAR June 11, 2008: Competent Persons Report on Project 3 of the Western Bushveld Joint Venture (WBJV) Located on the Western Limb of the Bushveld Igneous Complex, South Africa

Introduction

On October 26, 2004 the Company (37%) entered into a Joint Venture with Anglo Platinum (37%) and Africa Wide (later acquired by Wesizwe) (26%) to pursue platinum exploration and development on combined mineral rights covering 67 square kilometres on the Western Bushveld Complex of South Africa.

The Company contributed all of its interests in portions of the farms Onderstepoort 98 JQ, Mimosa 81 JQ and Elandsfontein 102 JQ. The Company was also required to complete Rand 35 million (at August 31, 2005 approx. C$6.44 million) in expenditures as part of its earn-in, which expenditure the Company completed in April 2006. Certain portions of Elandsfontein 102 JQ, Onderstepoort 98 JQ, Frischgewaagd 96 JQ, Mimosa 81 JQ and Koedoesfontein 94 JQ were contributed by Rustenburg Platinum Mines Ltd.

On April 9, 2007 the Company announced the formal contribution to the WBJV of a 50% interest in the mineral rights to the 494 hectare Portion 11 of the Farm Frischgewaagd 96 JQ ("Portion 11") by RPM, a subsidiary of Anglo Platinum. With this addition, the WBJV now encompasses approximately 72 square kilometres of territory.

On September 2, 2008 the Company announced in a news release its agreement to a term sheet with Anglo Platinum and Wesizwe to consolidate and rationalize the WBJV. Under the terms of the Proposed Transaction, the Company will control 74% of the WBJV Projects 1 and 3 and Wesizwe will control 100% of Project 2 and 26% of Projects 1 and 3. See "General Development of the Business" above for details. The proposed transaction is subject to the completion of definitive agreements and regulatory and other approvals. On September 7, 2007 the Company also published a revised statement of reserves and resources based on the terms of the proposed transaction.

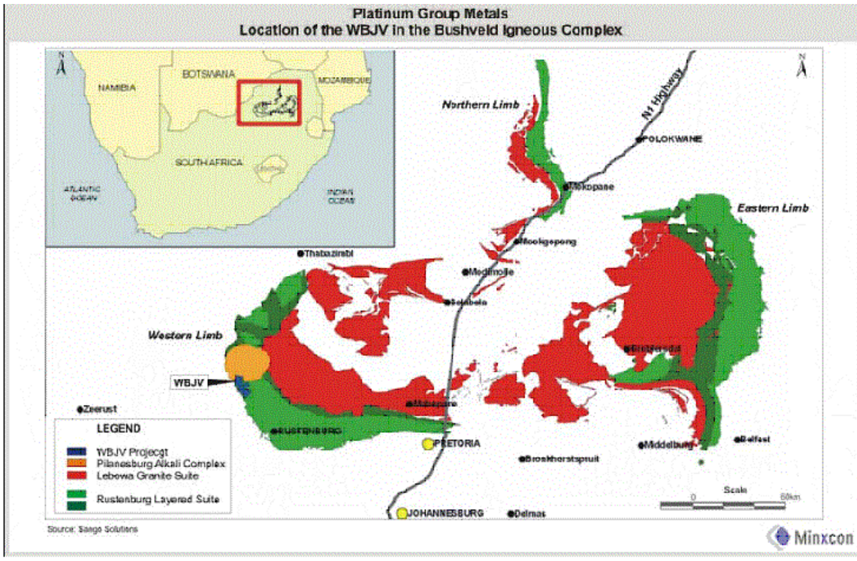
On December 9, 2008 the Company announced that it had executed definitive agreements to consolidate and rationalize the ownership interests of the WBJV. Under the new terms the Company has the right to acquire effective ownership of 74% of WBJV Projects 1 and 3 and Wesizwe will acquire 100% of Project 2 and 26% of Projects 1 and 3. Anglo platinum will revert to an approximate 26% share position in Wesizwe. At the time of writing the effective date of this new agreement is pending. See "General Development of the Business" above for details.

For more details of the WBJV Agreement and the properties contributed by the Company, see Note 5. of the Company's August 31, 2009 audited year end financial statements available on SEDAR at www.sedar.com

Project Description and Location

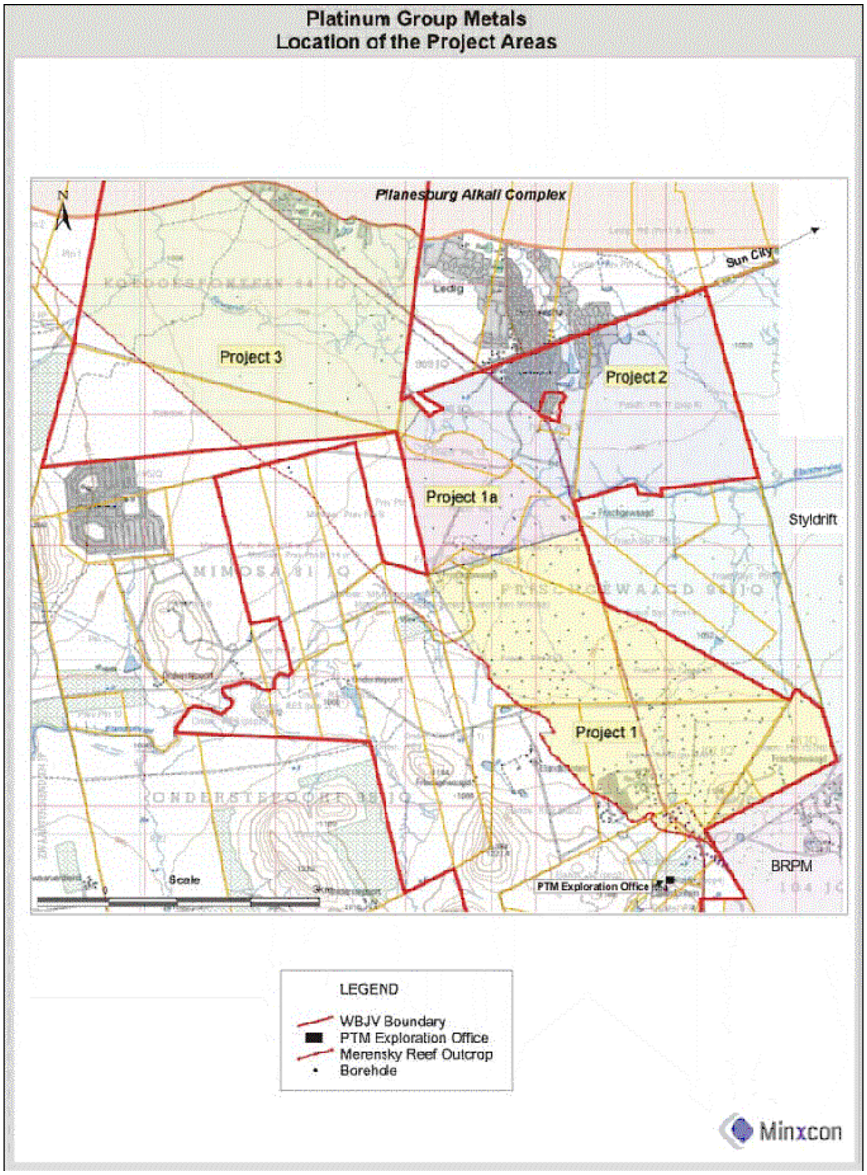
Subject to the December 9, 2008 agreement described above becoming effective, the WBJV is currently owned 37% by PTM-RSA, a wholly-owned subsidiary of the Company; 37% by RPM, a subsidiary of Anglo Platinum; and 26% by Wesizwe. The joint venture is a notarial contract and managed by a committee representing all partners. The WBJV is divided into three distinct project areas, namely Projects 1, 2 and 3. PTM-RSA is the operator of the joint venture.

The WBJV property is located on the south-western limb of the Bushveld Igneous Complex ("BIC"), 110km west-northwest of Pretoria and 120km from Johannesburg. The BIC is unique and well known for its layering and continuity of economic horizons mined for platinum, palladium and other platinum-group elements ("PGEs"), chrome and vanadium.



The total joint venture area includes portions of the Company's properties, namely Elandsfontein 102JQ, Mimosa 81JQ and Onderstepoort 98JQ, and also certain portions of Elandsfontein 102JQ, Onderstepoort 98JQ, Frischgewaagd 96JQ, Mimosa 81JQ and Koedoesfontein 94JQ contributed by RPM. These properties are centred on Longitude 27 ^{o} 00' 00'' (E) and Latitude 25 ^{o} 20' 00'' (S) and the mineral rights cover approximately 67km ^{2} or 6,700ha.

Project Area 1 and 1A covers an area of 10.87km ^{2} or 1,087ha in extent. Specifically, Project Area 1 and 1A consist of a section of Portion ("Ptn") 18, the Remaining Extent ("Re"), Ptn 13, Ptn 8, Re of Ptn 2, Ptn 7, Ptn 15 and Ptn 16 of the farm Frischgewaagd 96JQ, sections of Ptn 2, Ptn 9 and Ptn 12 of the farm Elandsfontein 102JQ and a small section of the Re of the farm Mimosa 81JQ. Project Area 3 covers an area of 224.28ha in extent and is located on a section of the farm Koedoesfontein 94JQ.



The resources of the WBJV Project Area 1 and 1A are located approximately 11km along strike from the active Merensky Reef (sometimes referred to as "MR") mining face at the operating Bafokeng Rasimone Platinum Mine ("BRPM"). BRPM completed opencast mining on the Upper Group 2 ("UG2") Reef within 100m of the WBJV property boundary.

The potential economic horizons in the WBJV Project Area 1 and 1A are the Merensky Reef and UG2 Chromitite seam situated in the Critical Zone ("CZ") of the Rustenburg Layered Suite ("RLS") of the BIC; these horizons are known for their continuity. The Merensky Reef and UG2 Chromitite seam are mined at the BRPM adjoining the WBJV property as well as on other contiguous platinum-mine properties. In general, the layered package dips at less than 20 degrees and local variations in the reef attitude have been modelled. The Merensky Reef and UG2 Chromitite seam, in the Project Area, dip between 4 and 42 degrees, with an average dip of 14 degrees.

Drilling, in the form of diamond drilling, has been carried out over the Project Area and to-date 231 boreholes have been drilled for the purposes of understanding the geology, structure and metallurgy of the orebody in the Project Area. PTM-RSA has established a site office to the south of the Project Area, and all core is stored in the core yard on site. All logging and sampling of the core is undertaken at the site office core yard and the samples have been sent to Genanalysis (Perth), ALS Chemex (South Africa) and currently samples are sent to Set Point Laboratories (South Africa). A total of 32,020 samples have been assayed and utilised in the estimation of the Mineral Resources over the Project Area.

Licences

The WBJV has been subdivided into several smaller portions as each area has its own stand-alone licence and Environmental Management Programme ("EMP"). Within the WBJV property, there are nine separate licences and they are specifically listed below for cross-referencing to the licence specifications. The licences over the WBJV area are as follows:

1. Elandsfontein (PTM-RSA)
2. Elandsfontein (RPM)
3. Onderstepoort (PTM-RSA) 4, 5 and 6
4. Onderstepoort (PTM-RSA) 3 and 8
5. Onderstepoort (PTM-RSA) 14 and 15
6. Onderstepoort (RPM)
7. Frischgewaagd (PTM-RSA)
8. Frischgewaagd (RPM)

9. Koedoesfontein (RPM)

The Prospecting Rights (“PR”) are all current new order permits and are held in the North West Province Region of the Department of Mineral Resources (“DMR”) and are held for platinum group metals (“PGMs”), nickel, chrome and gold. Licence specifications for these prospecting permits may be found in the technical reports filed on SEDAR as detailed above under the heading “Western Bushveld Joint Venture”.

Rights to surface and minerals

The Company acquired an option to purchase 100% of the surface and mineral rights to the farm Elandsfontein 102 JQ in December 2002. The rights to Elandsfontein portions Re 1, 12 and Re 14 measure an aggregate 364.6357 Ha. By December 2005 the Company had purchased these surface and mineral rights in exchange for total payments of approximately $1.7 million. These properties were contributed to the WBJV under the terms of the original WBJV agreement and the Company’s cost for these properties is included in its deferred costs for the WBJV.

PTM-RSA acquired its original interests in respect of the mineral rights on portions of the farm Onderstepoort 4, 5 and 6; Onderstepoort 3 and 8; and Onderstepoort 14 and 15 by way of option agreements. All of the Onderstepoort option agreements were later bought out by way of settlement agreements in 2007 and 2008. New order prospecting rights cover this area.
PTM-RSA contributed its interests in these properties to the WBJV.

The remainder of the WBJV mineral properties are covered by Anglo Platinum prospecting rights contributed to the Joint Venture.

During the year ended August 31, 2008 the Company purchased surface rights adjacent to the WBJV Project 1 deposit area measuring 216.27 hectares for an amount of Rand 8.0 million (approx. C$1.09 million). During the 2008 year the Company also purchased surface rights directly over a portion of the WBJV Project 1 deposit area measuring 358.79 hectares for an amount of Rand 15.07 million (approx. C$2.07 million). The surface rights to these two properties are to the benefit of the Company only and are distinct from the surface rights to the 365.64 hectare Elandsfontein Farm held for the benefit of the WBJV as described above.

Mineralized zones

The BIC in general is well known for containing a large share of the world's platinum and palladium resources. There are two very prominent economic deposits within the BIC. Firstly, the Merensky Reef and the UG2 chromitite, which together can be traced on surface for 300km in two separate areas. Secondly, the Northern Limb (“Platreef”), which extends for over 120km in the area north of Mokopane.

In the past the Bushveld’s platinum- and palladium-bearing reefs have been estimated at about 770 and 480 million ounces respectively (down to a depth of 2,000 metres). These estimates do not distinguish between the categories of Proven and Probable Reserves and Inferred Resource. Recent calculations suggest about 204 and 116 million ounces of Proven and Probable Reserves of platinum and palladium respectively, and 939 and 711 million ounces of Inferred Resources. Mining is already taking place at 2km depth in the BIC. Inferred and ultimately mineable ore resources can almost certainly be regarded as far greater than the calculations suggest. These figures represent about 75% and 50% of the world's platinum and palladium resources respectively. Reserve figures for the Proven and Probable categories alone in the BIC appear to be sufficient for mining during the next 40 years at the current rate of production. However, estimated world resources are such as to permit extraction at a rate increasing by 6% per annum over the next 50 years. Expected extraction efficiency is less for palladium. Thereafter, down-dip extensions of existing BIC mines, as well as lower-grade areas of the Platreef and the Middle Group chromitite layers (sometimes referred to as “CL”), may become payable. Demand, and hence price, will be the determining factor in such mining activities rather than availability of ore.

Exploration drilling to date on the WBJV area has shown that both economic reefs (Merensky and UG2) are present and economically exploitable on the WBJV properties. The separation between these reefs tends to increase from the subcrop environment (less than five metres apart) to depths exceeding 650 metres (up to 50 metres apart) towards the northeast. The subcrops of both reefs generally strike southeast to northwest and dipon average 14 degrees to the northeast. The reefs locally exhibit dips from 4 to 42 degrees (average 14 degrees) as observed from borehole information.

The most pronounced PGM mineralisation along the western limb of the BIC occurs within the Merensky Reef and is generally associated with a 0.1–1.2m-thick pegmatoidal feldspathic pyroxenite unit. The second important mineralized unit is the UG2 CL, which is on average 0.6–2.0m thick.

Environmental liabilities and Prospecting permits

There are no known environmental issues relating to the Company’s or WBJV’s properties.

Mining and exploration companies in South Africa operate with respect to environmental management regulations in Section 39 of the Minerals Act (1991) as amended. Each prospecting area or mining site is subject to conditions such as that:

- environmental management shall conform to the EMP as approved by the DMR;
- prospecting activities shall conform to all relevant legislations, especially the National Water Act (1998) and such other conditions as may be imposed by the director of Minerals Development;
- surfaces disturbed by prospecting activities will be rehabilitated according to the standard laid down in the approved EMPs;
- financial provision will be made in the form of a rehabilitation trust and/or financial guarantee;
- a performance assessment, monitoring and evaluation report will be submitted annually.

Prospecting permits are issued subject to the approval of the EMP, which in turn is subject to provision of a financial guarantee.

On *Elandsfontein (PTM-RSA)* the operator conducted exploration under an EMP approved for a prospecting permit granted to Royal Mineral Services on 14 November 2002 (now expired). A new prospecting permit and an EMP has been approved by the DMR. The EMP financial guarantee with respect to this application is held by Standard Bank of South Africa (guarantee no. M410986) in the amount of R10,000. In terms of the notarial prospecting agreement (Clause 10) the Minister or authorised person has the right to inspect the performance of the company with regard to environmental matters.

With regard to the *Onderstepoort (PTM-RSA)* area that was contributed to the WBJV by PTM-RSA, all EMPs were lodged with the DMR and approved. Financial provision of R10,000 for each of the optioned areas have been lodged with Standard Bank. In terms of the notarial prospecting agreement (Clause 10) the Minister or authorized person has the right to inspect the performance of the company with respect to environmental matters.

In the areas of the WBJV that were originally owned by RPM, PTM-RSA will take responsibility for the EMPs that originated from RPM in respect of Elandsfontein, Onderstepoort, Frischgewaagd and Koedoesfontein. PTM-RSA as operator of the joint venture will be the custodian and will be responsible for all aspects of the Environmental Management Programmes and for all specifics as set out in all the various allocated and approved EMPs for properties that form part of the WBJV.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

South Africa has a large and well-developed mining industry in the area where the WBJV Project is located. This, among other factors, means that the infrastructure in the area is well established, with well-maintained roads and highways as well as electricity distribution networks and telephone systems.

The project area is located on the southwestern limb of the BIC, some 35km northwest of the North West Province town of Rustenburg. The town of Boshoek is situated 10km to the south along the tar road that links Rustenburg with Sun City and crosses the project area. The WBJV adjoins the Anglo Platinum-managed BRPM to the southeast. A railway line linking BRPM to the national network passes the project area immediately to the east with a railway siding at Boshoek. The WBJV properties are readily accessible from Johannesburg by traveling 120km northwest on Regional Road 24 to the town of Rustenburg and then a further 35km. Both BRPM to the south of the project area and Styldrift, a joint venture between the Royal Bafokeng Nation and Anglo Platinum, which lies directly to the east of the property, have modern access roads and services. Numerous gravel roads crossing the WBJV properties provide easy access to all portions.

The major population centre is the town of Rustenburg, about 35km to the southeast of the project. Pretoria lies approximately 100km to the east and Johannesburg about 120km to the southeast. A popular and unusually large hotel and entertainment centre, Sun City, lies about 10km to the north of the project area. The Sundown Ranch Hotel lies in close proximity to the project area and offers rooms and chalets as accommodation. The WBJV properties fall under the jurisdiction of the Moses Kotane Municipality. A paved provincial road crosses the property. Access across most of the property can be achieved by truck without the need for significant road building.

With low rainfall (the area is considered semi arid with an annual rainfall of 520mm) and high summer temperatures, the area is typical of the Highveld Climatic Zone. The climate of the area does not hinder the operating season and exploration can continue all year long.

All project areas are close to major towns and informal settlements as a potential source of labour with paved roads being the norm. Power lines (400kv) cross both project areas and water is, as a rule, drawn from boreholes. As several platinum mines are located adjacent to and within 50km of the property, there is excellent access to materials and skilled labour. One of the smelter complexes of Anglo Platinum is located within 60km of the property.

Surface rights to 365 ha on the Farm Elandsfontein have been purchased by the Company on behalf of the WBJV and this property may be of some use for potential operations. A further 575 ha of surface rights have been purchased to August 31, 2009 by the Company alone. These surface rights are intended for purposes of tailings placements and surface infrastructure. Additional surface rights within the footprint of the mineral rights area are also required for location of shaft infrastructure, mill facilities and concentrator facilities and waste sites.

Topograhically, the WBJV area is located on a central plateau characterized by extensive savannah with vegetation consisting of grasses and shrubs with a few trees. The total elevation relief is greater as prominent hills occur in the northern most portions, but variations in topographical relief are minor and limited to low, gently sloped hills. On Project Area 1, elevations range from 1,080 metres above mean sea level ("AMSL") towards the Elands River in the north to 1,156m AMSL towards the farm Onderstepoort in the southwest, with an average of 1,100 AMSL. The section of the Koedoesfontein property covered by the Project 3 Area gently dips in a north-easterly direction toward a tributary of the Elands River. On Project 3 Area, elevations range from 1,060m AMSL towards the Sandspruit River in the north to 1100m AMSL towards the south eastern corner of the property.

History

Elandsfontein (PTM-RSA) , *Onderstepoort (Portions 4, 5 and 6)* , *Onderstepoort (Portions 3 and 8)* and *Onderstepoort (Portions 14 and 15)* were all privately owned. Previous work done on these properties has not been fully researched and is largely unpublished. Such academic work as has been done by the Council for Geoscience (government agency) is generally not of an economic nature.

Elandsfontein (RPM) , *Frischgewaagd, Onderstepoort (RPM)* and *Koedoesfontein* have generally been in the hands of major mining groups resident in the Republic of South Africa. Portions of Frischgewaagd previously held by Impala Platinum Mines Limited were acquired by Johannesburg Consolidated Investment Company Limited, which in turn has since been acquired by Anglo Platinum through RPM.

Previous geological exploration and resource estimation assessments were done by Anglo Platinum as the original owner of some of the mineral rights. Anglo Platinum managed the exploration drilling programme for the Elandsfontein and Frischgewaagd borehole series in the area of interest on Project Area 1, and for the Koedoesfontein borehole series in the area of interest on Project Area 3. Geological and sampling logs and an assay database are available.

Prior to the establishment of the WBJV and commencement of drilling for the Pre-feasibility study, PTM-RSA had drilled 36 boreholes on the Elandsfontein property, of which the geological and sampling logs and assay databases are available.

Existing gravity and ground magnetic survey data were helpful in the interpretation of the regional and local geological setting of the reefs. A distinct increase in gravity values occurs from the southwest to the northwest, most probably reflecting the thickening of the Bushveld sequence in that direction. Low gravity trends in a southeastern to northwestern direction. The magnetic survey reflects the magnetite-rich Main Zone and some fault displacements and late-stage intrusives in the area.

Previous drilling on the Project 3 area conducted by Anglo Platinum consisted of three boreholes (KD1, KD2 and KD3). Boreholes KD1 and KD3 were drilled beyond the Merensky Reef and UG2 CL subcrop, and terminated in sediments of the Transvaal Supergroup. Drilling of borehole KD2 was stopped short of the Merensky Reef subcrop.

There has been no previous production from any of the WBJV properties.

Geological Setting

Regional Geology of the BIC

The stable Kaapvaal and Zimbabwe Cratons in southern Africa are characterised by the presence of large mafic-ultramafic layered complexes. These include the Great Dyke of Zimbabwe, the Molopo Farms Complex in Botswana and the well-known BIC.

The BIC was intruded about 2,060 million years ago into rocks of the Transvaal Supergroup along an unconformity between the Magaliesberg quartzites (Pretoria Group) and the overlying Rooiberg felsites (a dominantly felsic volcanic precursor). The BIC is by far the most economically important of these deposits as well as the largest in terms of preserved lateral extent, covering an area of over 66,000km ^{2} . It has a maximum thickness of 8km, and is matched in size only by the Windimurra intrusion in Western Australia and the Stillwater intrusion in the USA (Cawthorn, 1996). The mafic component of the Complex hosts layers rich in PGEs, nickel, copper, chromium and vanadium. The BIC is reported to contain about 75% and 50% of the world's platinum and palladium resources respectively (Vermaak, 1995). The mafic component of the BIC is subdivided into several generally arcuate segments/limbs, each associated with a pronounced gravity anomaly. These include the western, eastern, northern/Potgietersrus, far western/Nietverdient and southeastern/Bethal limbs.

Local Geology

The WBJV is underlain by the lower portion of the RLS, the Critical Zone and the lower portion of the Main Zone. The ultramafic Lower Critical Zone and the Mafic Upper Critical Zone and the Main Zone weather to dark, black clays with very little topography. The underlying Transvaal Supergroup comprises shale and quartzite of the Magaliesberg Formation, which creates a more undulating topography. Gravity, magnetic, LANDSAT, aerial photography and geochemistry have been used to map out lithological units.

In parts of the WBJV the MR outcrops, as does the UG2 Reef, beneath a relatively thick (2-5m) overburden of red Hutton to darker Swartland soil forms. The sequence strikes northwest to southeast and dips between 4° and 42° with an average of 14° in the Project 1 and 1A areas, and with an average dip of ~ 10° in the Project 3 area. The top 32m of rock formation below the soil column is characterized by a highly weathered rock profile (regolith) consisting mostly of gabbro within the Main Zone. Thicknesses of this profile increase near intrusive dykes traversing the area.

Stratigraphy

The RLS intruded into the rocks of the Transvaal Supergroup, largely along an unconformity between the Magaliesberg quartzite of the Pretoria Group and the overlying Rooiberg felsites, which is a dominantly felsic volcanic formation. The mafic rocks of the RLS are subdivided into the following five zones:

- *Marginal Zone* comprising finer-grained gabbroic rocks with abundant country-rock fragments.
- *Lower Zone* – the overlying Lower Zone is dominated by darker, more iron and magnesium bearing rocks (orthopyroxenite with associated olivine-rich cumulates (harzburgite, dunite)).
- *Critical Zone* – its commencement is marked by first appearance of well-defined cumulus chromitite layers. Seven Lower Group chromitite layers have been identified within the lower Critical Zone. Two further chromitite layers – Middle Group ("MG") – mark the top of the lower Critical Zone. From this stratigraphic position upwards, plagioclase becomes the dominant cumulus phase and lighter coloured (noritic) rocks predominate. The MG3 and MG4 chromitite layers occur at the base of the upper Critical Zone, which is characterised from here upwards by a number of cyclical units. The cycles commence in general with narrow, darker (pyroxenitic) horizons (with or without olivine and chromitite layers); these invariably pass up into norites, which in turn pass into near white layers (leuconorites and anorthosites). The UG1 – first of the two Upper Group chromitite layers – is a cyclical unit consisting of chromitite layers with overlying footwall units that are supported by an underlying anorthosite. The overlying UG2 chromitite layer is of considerable importance because of its economic concentrations of PGEs. The two uppermost cycles of the Critical Zone include the Merensky and Bastard cycles. The Merensky Reef is found at the base of the Merensky cycle, which consists of a pyroxenite and pegmatoidal feldspathic pyroxenite assemblage with associated thin chromitite layers that rarely exceed one metre in thickness. The top contact of the Critical Zone is defined by a giant mottled anorthosite that forms the top of the Bastard cyclic unit.
- *Main Zone* – consists of norites grading upwards into gabbronorites. It includes several distinctive mottled anorthosite units towards the base and a distinctive pyroxenite, the Pyroxenite Marker, two thirds of the way up. This marker-unit does not occur in the project area, but is evident in the adjacent BRPM. The middle to upper part of the Main Zone is very resistant to erosion and gives rise to distinctive hills, which are currently being mined for dimension stone (black granite).
- *Upper Zone* – the base is defined by the appearance of cumulus magnetite above the Pyroxenite Marker. The Upper Zone is divided into Subzone A at the base; Subzone B, where cumulus iron-rich olivine appears; and Subzone C, where apatite appears as an additional cumulus phase.

Local Geological Setting –Western Bushveld Limb

Exposures of the BIC located on the western limb include the stratigraphic units of the RLS. The local geology includes the classic layered sequence of the RLS and the footwall rocks of the Transvaal Supergroup. The Merensky Reef is believed to be present within much of this lobe. The position of the Merensky Reef is fairly closely defined by seismic reflectors associated with the cyclic units of the upper Critical Zone.

The sequence of the BIC within the WBJV area is confined to the lower part of the Main Zone (Porphyritic Gabbro Marker) and the Critical Zone (HW5–1 and Bastard Reef to UG1 footwall sequence). The rock sequence thins towards the southwest (subcrop) including the marker horizons with concomitant middling of the economic reefs or total elimination thereof. The UG2 Reef and, more often, the UG1 Reef are not developed in some areas owing to the irregular and elevated palaeo-floor of the Transvaal sediments.

Reefs

The MR is a well developed seam along the central part and towards the north eastern boundary of the Project 1 area. Islands of thin reef and relatively low-level mineralization are present. The better-developed reef package, in which the intensity of chromitite is generally combined with pegmatoidal feldspathic pyroxenite development, occurs as larger island domains along a wide central strip in a north south orientation from subcrop to deeper portions. The Merensky Reef structure at the Project 3 Area has not been interpreted to date.

The UG2 reef is well developed towards the northeast of the project area, but deteriorates towards the southwest. Within the latter area, the reef is present as a thin discontinuous or disrupted chromitite/pyroxenite layer. It also appears to be disrupted by the shear zone along the footwall alteration zone. Towards the northwest on Frischgewaagd, the reef is generally well developed and occurs as a single prominent chromitite layer varying in thickness from a few centimetres to ~2m.

The thickness of the sequences between the UG2 and MR in the Project 1 and 1A areas increases from ~10m to 80m in a southwest-northeast direction. A similar situation exists in the north of the project area but with the thickness between the reefs ranging from 6m to 25m at depths of 200m below surface. In general, the thickness between the reefs appears to increase in a northeasterly direction, sub-parallel to the strike of the BIC layered lithologies.

Local Structural Model

Floor rocks in the southwestern BIC display increasingly varied degrees of deformation towards the contact with the RLS. Structure within the floor rocks is dominated by the north-northwest trending post-Bushveld Rustenburg Fault. This normal fault with down-throw to the east extends northwards towards the west of the Pilanesberg Alkaline Complex. A second set of smaller faults and joints, striking 70° and dipping very steeply south-southeast or north-northwest, are related to the Rustenburg fault system. These structures were reactivated during the intrusion of the Pilanesberg Alkaline Complex. Dykes associated with this Complex intruded along these faults and joints.

Major structures, which occur within the WBJV area, include the Caldera and Elands faults and Chaneng Dyke and a major north-south trending feature, which can be observed across the entire Pilanesberg Complex. These east-west trending structures dip steeply (between 80° and 90°). The magnetics indicate that the Chaneng Dyke dips steeply to the north. This is consistent with similar structures intersected underground on the neighbouring Bafokeng Rasimone Platinum Mine, which all dip steeply northward.

Two stages of folding have been recognized within the area. The earliest folds are mainly confined to the Magaliesberg Quartzite Formation. The fold axes are parallel to the contact between the RLS and the Magaliesberg Formation. Quartzite xenoliths present close to the contact with the RLS and the sedimentary floor. Examples of folding within the floor rocks are the Boekenhoutfontein, Rietvlei and Olifantsnek anticlines. The folding was initiated by compressional stresses generated by isostatic subsidence of the Transvaal Supergroup during sedimentation and the emplacement of the pre-Bushveld sills. The presence of an undulating contact between the floor rocks and the RLS, and in this instance the resultant formation of large-scale folds, substantiates a second stage of deformation. The fold axes trend at approximately orthogonal angles to the first folding event. Deformation during emplacement of the BIC was largely ductile and led to the formation of basins by sagging and folding of the floor rocks. This exerted a strong influence on the subsequent evolution of the Lower and Critical Zones and associated chromitite layers.

The structural events that influenced the floor rocks played a major role during emplacement of the BIC. There is a distinct thinning of rocks from east to west as the BIC onlaps onto the Transvaal floor rocks, even to the extent that some of the normal stratigraphic units have been eliminated. The Merensky and UG2 isopach decreases from 60m to 2m at outcrop position.

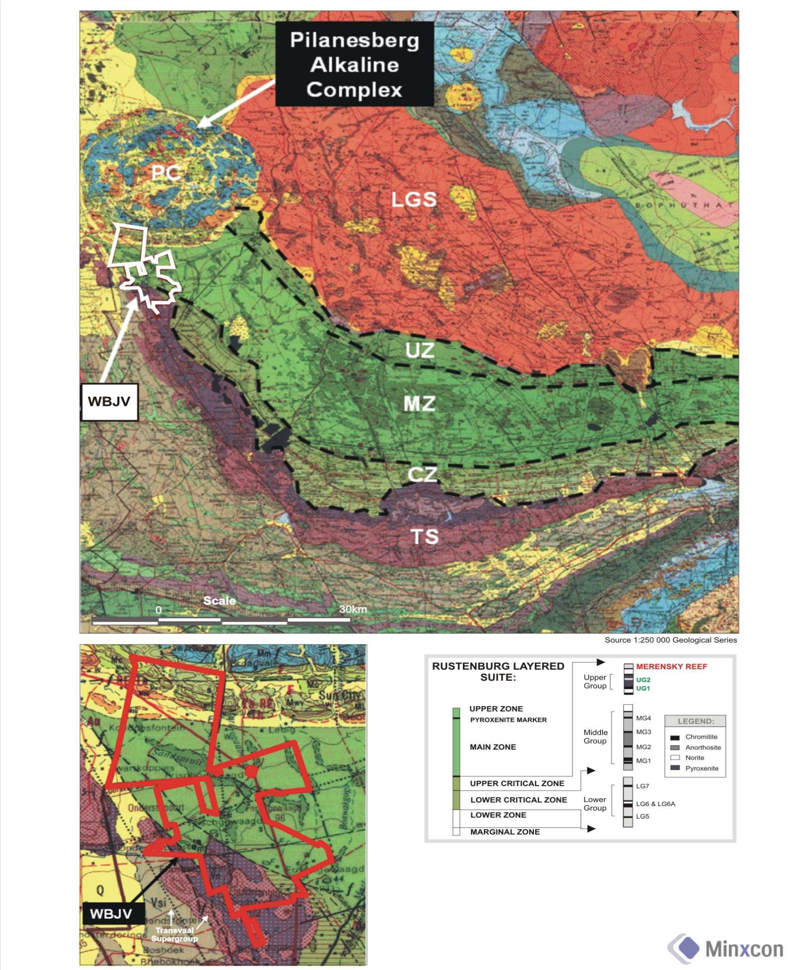
A structural model was developed from data provided by the magnetic survey results and geological logs of drilled cores. At least three generations of faults were identified on the property.

The oldest event appears to be associated with dykes and sills trending at 305 degrees and is of post-BIC age. It appears to be the most prominent, with the largest displacement component of more than 20m. The majority of the faults are normal faults dipping in a westerly direction, decreasing in their dip downwards and displaying typical listric fault system behaviour.

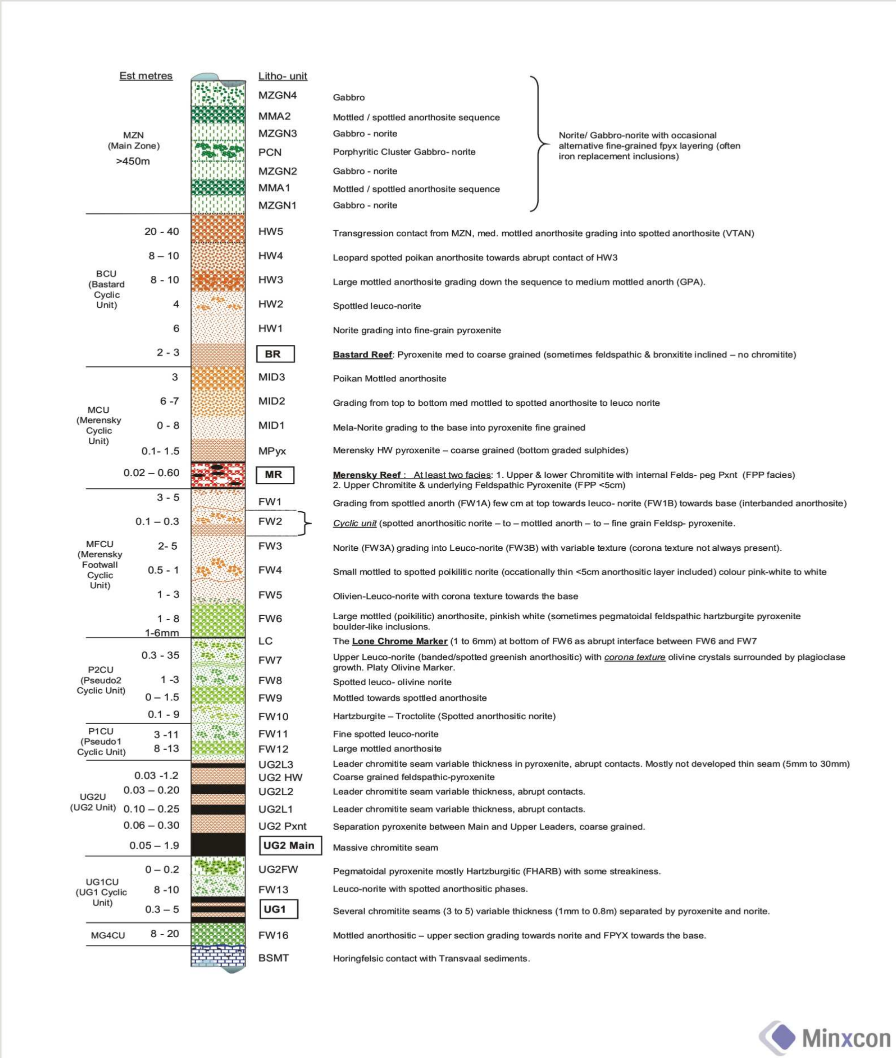
A second phase represented by younger fault features is trending in two directions at 345 degrees and 315 degrees northwards respectively and appears to have consistent down-throws towards the west.

A third phase of deformation may be related to a regional east-west-striking dyke system causing discontinuity on adjacent structures. Several dolerite intrusives, mainly steep-dipping dykes and bedding-parallel sills, were intersected in boreholes. These range in thickness from 0.5–30m and most appear to be of a chilled nature; some are associated with faulted contacts. Evident on the magnetic image is an east-west-trending dyke, which was intersected in borehole WBJV005 and appears to be of Pilanesberg-intrusion age. This dyke has a buffer effect on structural continuity as faulting and earlier stage intrusives are difficult to correlate on either side; and more work is required to understand the mechanics.

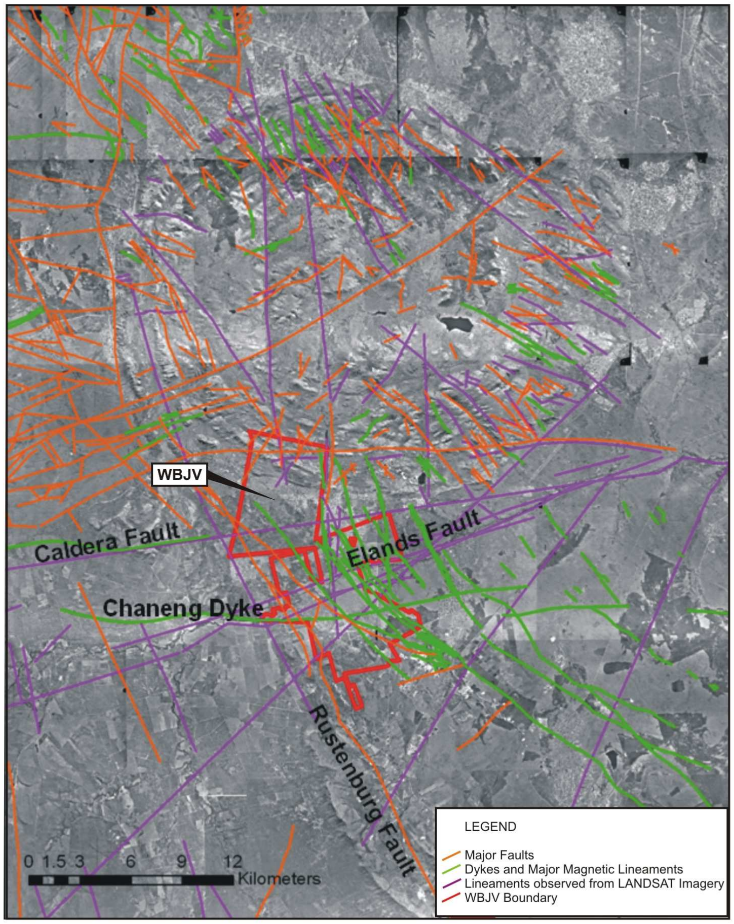
Platinum Group Metals
Location of the WBJV in the Western Limb of the Bushveld Igneous Compex



Platinum Group Metals
Detailed Stratigraphy of the Western Bushveld Sequence



Platinum Group Metals
Regional Stucture



Exploration

PTM-RSA is the operator of the WBJV and PTM-RSA personnel have conducted or supervised the work described below. Third party contractors are used to conduct specific components of the work, such as drilling contractors or geophysical contractors, for example, but they remain under the direction of PTM-RSA.

Project Area 1

Fieldwork in the form of soil sampling and surface mapping was initially done on the farm Onderstepoort, where various aspects of the lower Critical Zone, intrusive ultramafic bodies and structural features were identified. Efforts were later extended southwards to the farms Frischgewaagd and Elandsfontein. The above work contributed directly to the economic feasibility of the overall project, directing the main focus in the project area towards delineation of the subcrop position of the actual Merensky and UG2 economic reef horizons.

Geophysical information obtained from Anglo Platinum was very useful during the identification and extrapolation of major structural features as well as the lithological layering of the BIC.

Ground gravity measurements of 120.2 km have been completed on 500 metre line spacing perpendicular to the strike across the deposit, together with 65.5 km of ground magnetic survey. The ground gravity data played a significant role in determining the hinge line where the BIC rocks start thickening down-dip, and this raised the possibility of more economic mineralization. At the same time, the data shows where the Transvaal footwall causes the abutment or onlapping of the BIC rocks. Ground magnetic data helped to highlight faults and dykes as well as to delineate iron replacement ultramafic pegmatoids.

An aeromagnetic survey was flown for Anglo Platinum by Fugro Airborne using a Midas Heli-borne magnetic gradiometer system. A total of 25,324 line kilometres were flown on lines with a direction of 55° (true north) and with a sensor at a nominal elevation of 20 metres. The area covered by the survey was some four times larger than the WBJV area, which was situated in the north western quadrant of the surveyed area. The high resolution survey data was of a very high quality. The aeromagnetic data alone made it possible to delineate magnetic units in the Main Zone, to recognise the strata strike and to identify the dykes and iron-replacements.

Project Area 3

Exploration to date for the Project 3 Area has included geophysical surveys (magnetic, gravity, 3D seismics and aerial magnetic), drilling, assaying and structural interpretation and analysis. Drilling on the project area has ceased at present, but is planned to be recommenced at a future time. An initial inferred resource was declared for Project 3 on April 25, 2008 (See press release of same date and below). Under the terms of a proposed transaction announced September 2, 2008 and described above at “General Development of the Business” the Company is to control 74% of Project 3. The purpose of future exploration programs will be to test for additional resource ounces and to upgrade known resources into higher levels of confidence and to further assess geological structures in the areas of known resources.

Project Area 3 – Mineral Resource Statement – 100% Basis

MR = Merensky Reef; UG2 = Upper Group No. 2 chromitite seam; PGE=Platinum Group Metals.

The cut-offs for Inferred Mineral Resources have been established by a qualified person after a review of potential operating costs and other factors.

Inferred Mineral Resource (4E)	Cut-off (cm.g/t)	Million Tonnes	Grade 4E (g/t)	Potential Mining Width (m)	Tons PGE (4E)	Moz PGEs (4E)
Project 3 MR	100	4.040	6.26	1.12	25.307	0.814
Project 3 UG2	100	6.129	5.51	1.22	33.781	1.086
Total Inferred	**100**	**10.169**	**5.81**		**59.088**	**1.900**

Prill Splits	Pt	Pt (g/t)	Pd	Pd (g/t)	Rh	Rh (g/t)	Au	Au (g/t)
Project 3 MR	64%	4.01	27%	1.69	4%	0.25	5%	0.31
Project 3 UG2	62%	3.42	28%	1.54	9%	0.50	1%	0.06

The Qualified Person for the mineral resources reported above is Charles Muller of Minxcon.

Mineralization

Exposures of the BIC located on the western limb include the stratigraphic units of the RLS. The sequence comprises mostly gabbros, norites, anorthosites and pyroxenites. The potential economic horizons in the WBJV Project 1 and 3 Areas are the Merensky Reef and UG2 CL situated in the Critical Zone of the RLS of the BIC; these horizons are known for their continuity. The Merensky Reef in Project Area 1 is the main exploration target; the UG2 CL has lesser economic potential and will be exploited after the Merensky Reef during a later stage of the proposed mine life. The Merensky Reef is generally associated with a 0.1-1.2m-thick pegmatoidal feldspathic pyroxenite unit and is also generally associated with thin chromitite layers on either/both the top and bottom contacts of the reef. The UG2 chromitite layer occurs sequentially below the Merensky Reef and is on average 1.50m thick.

The Merensky and UG2 Reefs are mined at the BRPM adjoining the WBJV property as well as on other contiguous platinum-mine properties. In general, the layered package dips at less than 20 degrees to the northeast and local variations in the reef attitude have been modelled. The Merensky and UG2 reefs, in Project Area 1, dip between 4 and 42 degrees, with an average dip of 14 degrees, and in the Project 3 Area, dip at approximately 10 degrees.

Drilling

The type of drilling being conducted on the WBJV is a diamond-drilling core-recovery technique involving a BQ-size solid core extraction. The drilling is placed on an unbiased 500m x 500m grid and detailed when necessary to a 250m x 250m grid. The grid has been extended for 4.5km along strike to include the whole of the Project 1 and 1A area. To date, 240 boreholes have been drilled by the company on Project Area 1 and 30 boreholes have been drilled on Project 1A. A total of 7 holes have been drilled on RE 4 and Portion 11 of the Farm Frischewaagd within Project 2 area by the WBJV. Additional holes have also been drilled on RE 4 and Portion 11 by project 2 operator Wesizwe, who reports that they have drilled a further 95 boreholes for a total of 74,138 metres on those farm portions.

To the date of the last resource update for Project 3, a total of 24 boreholes were drilled by PTM-RSA on the Project 3 Area. Three deflections were drilled for boreholes which intersected the Merensky Reef or UG2 CL, and all of these deflections were assayed.

The results of the drilling and the general geological interpretation are digitally captured in SABLE (a commercially available logging software) and in a GIS software package named ARCVIEW. The exact borehole locations, together with the results of the economic evaluation, are plotted on plan. From the geographic location of the holes drilled, regularly spaced sections are drawn by hand and digitised. This information was useful for interpreting the sequence of the stratigraphy intersected as well as for verifying the borehole information.

The structural features identified from aeromagnetic data were interpreted in terms of a regional structural model. Major dyke features were easily recognised and these assisted in the compilation of a structural model for the WBJV project area. Exploration drilling later helped to identify a prominent east-west-trending linear feature as a south dipping dyke. This dyke occurs along the northern boundary of the project area. A second dyke occurs along the northeastern boundary of the Elandsfontein and Frischewaagd areas. Other major structural features include potential faults oriented at 345 degrees north in the deep environment of the Frischewaagd south area.

The geometry of the deposit has been clearly defined in the sections drawn through the property. With the exception of three inclined boreholes, all holes were drilled vertically (minus 90 degrees) and the down hole surveys indicate very little deviation. A three-dimensional surface – digital terrain model (DTM) – was created and used in the calculation of the average dip of 14 degrees (10 degrees for Project 3). This dip has been factored into the calculations on which resource estimates are based.

Sampling and Analysis

Drilled core is cleaned, de-greased and packed into metal core boxes by the drilling company. The core is collected from the drilling site on a daily basis by a Company geologist and transported to the exploration office by Company personnel. Before the core is taken off the drilling site, the depths are checked and entered on a daily drilling report, which is then signed off by the Company. The core yard manager is responsible for checking all drilled core pieces and recording the following information:

- Drillers' depth markers (discrepancies are recorded).
- Fitment and marking of core pieces.
- Core losses and core gains.
- Grinding of core.
- One-meter-interval markings on core for sample referencing.
- Re-checking of depth markings for accuracy.

Core logging is done by hand on a Company pro-forma sheet by qualified geologists under supervision of the project geologist, who is responsible for timely delivery of the samples to the relevant laboratory. The supervising and project geologists ensure that samples are transported by Company contractors.

Sample Method, Location, Number, Type and Size of Sampling

The first step in the sampling of the diamond-drilled core is to mark the core from the distance below collar in 1m units and then for major stratigraphic units. Once the stratigraphic units are identified, the economic units – Merensky Reef and UG2 Chromitite seam – are marked. The top and bottom contacts of the reefs are clearly marked on the core. Thereafter the core is rotated in such a manner that all lineations pertaining to stratification are aligned to produce a representative split. A centre cut line is then drawn lengthways for cutting. After cutting, the material is replaced in the core trays. The sample intervals are then marked as a line and a distance from collar.

The sample intervals are typically 15–25cm in length. In areas where no economic zones are expected, the sampling interval could be as much as a metre. The sample intervals are allocated a sampling number, and this is written on the core for reference purposes. The half-core is then removed and placed into high-quality plastic bags together with a sampling tag containing the sampling number, which is entered onto a sample sheet. The start and end depths are marked on the core with a corresponding line. The duplicate tag stays as a permanent record in the sample booklet, which is secured on site. The responsible project geologist then seals the sampling bag. The sampling information is recorded on a specially designed sampling sheet that facilitates digital capture into the SABLE system. The sampling extends for about a metre into the hanging wall and footwall of the economic reefs.

Up to the date of the Updated Feasibility Study, a total of 139,451m has been drilled by PTM-RSA on the Project 1 and 1A area (up to WBJV 241), and altogether 27,202 filed samples have been submitted for assaying along with 1.446 standards and 2,372 blanks. A total of 25,911m has been drilled by PTM-RSA across Project 3 and altogether 6,062 samples have been submitted for assaying from that project, including 590 standards and 577 blanks.

Drilling Recovery

All reef intersections that are sampled required a 100% core recovery. If less than 100% is recovered, the drilling company will re-drill, using a wedge to achieve the desired recovery.

Sample Quality and Sample Bias

The sampling methodology accords with the Platinum Group protocol based on industry-accepted best practice. The quality of the sampling is monitored and supervised by a qualified geologist. The sampling is done in a manner that includes the entire economic unit together with hanging wall and footwall sampling. Sampling over-selection and sampling bias is eliminated by rotating the core so that the stratification is vertical and by inserting a cutline down the centre of the core and removing one side of the core only.

Width of Mineralized Zones - Resource Cuts

The methodology in determining the resource cuts is derived from the core intersections. Generally, the economic reefs are about 60cm thick. For both the Merensky Reef and UG2 Reef, the marker unit is the bottom reef contact, which is a chromite contact of less than a centimetre. The cut is taken from that chromite contact and extended vertically to accommodate most of the metal content. If this should result in a resource cut less than 80cm up from the bottom reef contact, it is extended further to 80cm. If the resource cut is thicker than the proposed 80cm, the last significant reported sample value above 80cm is added to determine the top reef contact.

In the case of the UG2 Reef, the triplets (if and where developed and within 30cm from the top contact) are included in the resource cut.

Sample Preparation, Laboratory Standards and Procedures

When samples are prepared for shipment to the analytical facility the following steps are followed:

- Samples are sequenced within the secure storage area and the sample sequences examined to determine if any samples are out of order or missing.
- The sample sequences and numbers shipped are recorded both on the chain-of-custody form and on the analytical request form.
- The samples are placed according to sequence into large plastic bags. (The numbers of the samples are enclosed on the outside of the bag with the shipment, waybill or order number and the number of bags included in the shipment).
- The chain-of-custody form and analytical request sheet are completed, signed and dated by the project geologist before the samples are removed from secured storage. The project geologist keeps copies of the analytical request form and the chain-of-custody form on site.
- Once the above is completed and the sample shipping bags are sealed, the samples may be removed from the secured area. The method by which the sample shipment bags have been secured must be recorded on the chain-of-custody document so that the recipient can inspect for tampering of the shipment.

The laboratories that have been used to date are Anglo American Analytical Laboratories, Genalysis (Perth, Western Australia), ALS Chemex (South Africa), and (currently) Set Point Laboratories (South Africa). Dr. B. Smee, a geochemist and a director of the Company, has accredited Set Point Laboratories.

Samples are received, sorted, verified and checked for moisture and dried if necessary. Each sample is weighed and the results are recorded. Rocks, rock chips or lumps are crushed using a jaw crusher to less than 10mm. The samples are then milled for 5 minutes in a Labtech Essa LM2 mill to achieve a fineness of 90% less than 106µm, which is the minimum requirement to ensure the best accuracy and precision during analysis.

Samples are analyzed for Pt (ppb), Pd (ppb), Rh (ppb) and Au (ppb) by standard 25g lead fire-assay using silver as requested by a co-collector to facilitate easier handling of prills as well as to minimize losses during the cupellation process. Although collection of three elements (Pt, Pd and Au) is enhanced by this technique, the contrary is true for rhodium (Rh), which volatilizes in the presence of silver during cupellation. Palladium is used as the co-collector for Rh analysis. The resulting prills are dissolved with aqua regia for Inductively Coupled Plasma ("ICP") analysis.

After pre-concentration by fire assay and microwave dissolution, the resulting solutions are analyzed for Au and PGM's by the technique of ICP-OES (inductively coupled plasma–optical emission spectrometry).

Quality Assurance and Quality Control (QA&QC) Procedures and Results

The Company protocols for quality control are as follows:

1. The project geologist oversees the sampling process.
2. The core yard manager oversees the core quality control.
3. The exploration geologists and the sample technicians are responsible for the actual sampling process.
4. The project geologist oversees the chain of custody.
5. The internal QP verifies both processes and receives the laboratory data.
6. The internal resource geologist and the database manager merge the data and produce the SABLE sampling log with assay values.
7. Together with the project geologist, the resource geologist determines the initial mining cut.
8. The external auditor verifies the sampling process and signs off on the mining cut.
9. The second external database auditor verifies the SABLE database and highlights QA&QC failures.
10. A Company technician runs the QA&QC graphs (standards, blanks and duplicates) and reports anomalies and failures to the internal QP.
11. The internal QP requests re-assay.
12. Check samples are sent to a second laboratory to verify the validity of data received from the first laboratory.

Standards

Analytical standards are used to assess the accuracy and possible bias of assay values for Platinum (Pt) and Palladium (Pd). Rhodium (Rh) and Gold (Au) were monitored where data for the standards were available, but standards were not failed on Rh and Au alone.

Assay testing refers to Round Robin programs that comprise collection and preparation of material of varying matrices and grades to provide homogeneous material for developing reference materials (standards) necessary for monitoring assaying. Assay testing is also useful in ensuring that analytical methods are matched to the mineralogical characteristics of the mineralization being explored. Samples are sent to a sufficient number of international testing laboratories to provide enough assay data to statistically determine a representative mean value and standard deviation necessary for setting acceptance/rejection tolerance limits.

Tolerance limits are set at two and three standard deviations from the Round Robin mean value of the reference material: a single analytical batch is rejected for accuracy when reference material assays are beyond three standard deviations from the certified mean, and any two consecutive standards within the same batch are rejected on the basis of bias when both reference material assays are beyond two standard deviations limit on the same side of the mean.

Blanks

The insertion of blanks provides an important check on the laboratory practices, especially potential contamination or sample sequence mis-ordering. Blanks consist of a selection of Transvaal Quartzite pieces (devoid of platinum, palladium, copper and nickel mineralization) of a mass similar to that of a normal core sample. The blank being used is always noted to track its behaviour and trace metal content. Typically the first blank is sample 5 in a given sampling sequence.

Duplicates

The purpose of having field duplicates is to provide a check on possible sample over-selection. The field duplicate contains all levels of error – core or reverse-circulation cutting splitting, sample size reduction in the prep lab, sub-sampling at the pulp, and analytical error.

Field duplicates were, however, not used on this project by very significant reason of the assemblage of the core. Firstly, BQ core has an outer diameter of only 36.5mm. Secondly, it is friable and brittle due to the chrome content making it extremely difficult to quarter the core. It usually ends up in broken pieces and not a solid piece of core.

Due to this problem, the laboratory was asked to regularly assay split pulp samples as a duplicate sample to monitor analytical precision.

Assay Validation

Although samples are assayed with reference materials, an assay validation program is being conducted to ensure that assays are repeatable within statistical limits for the styles of mineralization being investigated. It should be noted that validation is different from verification; the latter implies 100% repeatability. The validation program consists of the following:

- a re-assay program conducted on standards that "failed" the tolerance limits set at two and three standard deviations from the Round Robin mean value of the reference material;
- ongoing blind pulp duplicate assays at Set Point Laboratory;
- check assays conducted at an independent assaying facility (Genalysis).

Re-assay

This procedure entailed the following: the failed standard (2) together with standard (1) submitted before and standard (3) submitted after the particular failed standard (2), as well as all submitted field samples (pulps) in between standard (1) and standard (3) were resubmitted for re-assaying.

Sampling Procedures

The QA&QC practice of the Company is a process beginning with the actual placement of the borehole position (on the grid) and continuing through to the decision for the 3D economic intersection to be included in (passed into) the database. The values are also confirmed, as well as the correctness of correlation of reef/resource cut so that populations used in the geostatistical modeling are not mixed; this makes for a high degree of reliability in estimates of resources/reserves.

Quality control measures and data verification

All scientific information is manually captured and digitally recorded. The information derived from the core logging is manually recorded on A4-size logging sheets. After being captured manually, the data is electronically captured in a digital logging program (SABLE). For this exercise, the program has very specific requirements and standards. Should the entered data not be in the set format the information is rejected. This is the first stage of the verification process.

After the information is transferred into SABLE, the same information is transferred into a modelling package (DATAMINE). Modelling packages are rigorous in their rejection of conflicting data, e.g. the input is aborted if there are any overlaps in distances or inconsistencies in stratigraphic or economic horizon nomenclature. This is the second stage of verification.

Once these stages of digital data verification are complete, a third stage is generated in the form of section construction and continuity through DATAMINE. The lateral continuity and the packages of hanging wall and footwall stratigraphic units must align or be in a format consistent with the general geometry. If this is not the case, the information is again aborted.

The final stage of verification is of a geostatistical nature, where population distributions, variance and spatial relationships are considered. Anomalies in grade, thickness, and isopach or isocon trends are noted and questioned. Should inconsistencies and varying trends be un-explainable, the base data is again interrogated, and the process is repeated until a suitable explanation is obtained.

Security of Samples

Samples are not removed from secured storage location without completion of a chain-of-custody document; this forms part of a continuous tracking system for the movement of the samples and persons responsible for their security. Ultimate responsibility for the secure and timely delivery of the samples to the chosen analytical facility rests with the project geologist and samples are not transported in any manner without the project geologist's permission.

During the process of transportation between the project site and analytical facility the samples are inspected and signed for by each individual or company handling the samples. It is the mandate of both the supervising and project geologist to ensure secure transportation of the samples to the analytical facility. The original chain-of-custody document always accompanies the samples to their final destination.

The supervising geologist ensures that the analytical facility is aware of the Company standards and requirements. It is the responsibility of the analytical facility to inspect for evidence of possible contamination of, or tampering with, the shipment received from the Company. A photocopy of the chain-of-custody document, signed and dated by an official of the analytical facility, is faxed to the Company's offices in Johannesburg upon receipt of the samples by the analytical facility and the original signed letter is returned to the Company along with the signed analytical certificate(s).

The analytical facility's instructions are that if they suspect the sample shipment has been tampered with, they will immediately contact the supervising geologist, who will arrange for someone in the employment of the Company to examine the sample shipment and confirm its integrity prior to the start of the analytical process.

If, upon inspection, the supervising geologist has any concerns whatsoever that the sample shipment may have been tampered with or otherwise compromised, the responsible geologist will immediately notify the Company management in writing and will decide, with the input of management, how to proceed. In most cases analysis may still be completed although the data must be treated, until proven otherwise, as suspect and unsuitable as a basis for a news release until additional sampling, quality control checks and examination prove their validity.

Should there be evidence or suspicions of tampering or contamination of the sampling, the Company will immediately undertake a security review of the entire operating procedure. The investigation will be conducted by an independent third party, whose report is to be delivered directly and solely to the directors of the Company, for their consideration and drafting of an action plan. All in-country exploration activities will be suspended until this review is complete and the findings have been conveyed to the directors of the company and acted upon.

WBJV Project 1 – Mineral Resource and Mineral Reserve Estimates

Mineral Resources – (MR- Merensky Reef; UG2- Upper Group 2 Reef).

The Mineral Resources reported in the Updated Feasibility Study had not been previously disclosed. This updated Resource is based on the additional drilling done in Project 1 & 1A areas. The revised resource estimation indicates that measured and indicated resources have increased as a result of further drilling in the Project 1 & 1A areas. These upgraded ounces have not yet been included in the mineable Reserves of the Updated Feasibility mine plan. The Resource update was done to conform to a minimum 80cm resource cut which is in line with that used by producing mines in the area. Sampling practice, bore hole data, other factors and quality control and assurance are as reported previously. The Resources are estimated by kriging of approximately 231 boreholes plus deflections and are reported under SAMREC. The categories are the same as CIM categories. Quality controls include chain of custody, insertion of blanks and duplicates and check assays as previously disclosed.

The Independent Qualified Person for the Mineral Resources is Charles Muller of Minxcon.

Note the Company's 74% interest in the following reserves and resources is subject to the completion of the transaction announced on September 2, 2008 and which is described above at Item 2 a) "Results of Operations" and elsewhere in this document.

WBJV Project 1 – 100% Basis

Measured Mineral Resource (4E)	**Cut-off (cm.g/t)**	**Million Tonnes (Mt)**	**Grade 4E (g/t)**	**Mining Width (m)**	**Tonnes PGE (4E)**	**Moz PGE's (4E)**
Project 1 MR	300	6.603	8.38	1.33	55.333	1.779
Project 1 UG2	300	7.464	4.26	1.34	31.797	1.022
Total Measured	**300**	**14.067**	**6.19**	**1.34**	**87.130**	**2.801**

Prill Splits	**Pt**	**Pt (g/t)**	**Pd**	**Pd (g/t)**	**Rh**	**Rh (g/t)**	**Au**	**Au (g/t)**
Project 1 MR	64%	5.36	27%	2.26	4%	0.34	5%	0.42
Project 1 UG2	63%	2.68	26%	1.11	10%	0.43	1%	0.04

Indicated Mineral Resource (4E)	**Cut-off (cm.g/t)**	**Million Tonnes (Mt)**	**Grade 4E (g/t)**	**Mining Width (m)**	**Tonnes PGE (4E)**	**Moz PGE's (4E)**
Project 1 & 1A MR	300	11.183	7.25	1.24	81.077	2.607
Project 1 & 1A UG2	300	19.209	4.46	1.39	85.672	2.754
Total Indicated	**300**	**30.392**	**5.49**	**1.34**	**166.749**	**5.361**

Prill Splits	Pt	Pt (g/t)	Pd	Pd (g/t)	Rh	Rh (g/t)	Au	Au (g/t)
Project 1 & 1A MR	64%	4.64	27%	1.96	4%	0.29	5%	0.36
Project 1 & 1A UG2	63%	2.81	26%	1.16	10%	0.45	1%	0.04

Inferred Mineral Resource (4E)	Cut-off (cm.g/t)	Million Tonnes (Mt)	Grade 4E (g/t)	Mining Width (m)	Tonnes PGE (4E)	Moz PGE's (4E)
Project 1 MR	300	0.154	8.96	1.06	1.380	0.044
Project 1 UG2	300	0.022	3.91	0.83	0.086	0.003
Total Inferred	**300**	**0.176**	**8.33**	**1.03**	**1.466**	**0.047**

Prill Splits	Pt	Pt (g/t)	Pd	Pd (g/t)	Rh	Rh (g/t)	Au	Au (g/t)
Project 1 MR	64%	5.73	27%	2.42	4%	0.36	5%	0.45
Project 1 UG2	63%	2.46	26%	1.02	10%	0.39	1%	0.04

Mineral Reserves – derived from the Measured & Indicated Resources and not in addition to them.

Cautionary Note to U.S. Investors: *The U.S. Securities and Exchange Commission permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms in this document, such as "measured," "indicated," and "inferred," "reserves," "resources," that the SEC guidelines strictly prohibit U.S. registered companies from including in their filings with the SEC. "Resources" are not "Reserves" and so do not have demonstrated economic viability. U.S. investors are urged to consider closely the disclosure in our U.S. regulatory filings, File No. 001-33562, which may be secured from us, or from the SEC's website at: http://sec.gov*

A Probable Reserve is the economically mineable part of an Indicated, and in some circumstances a Measured Resource, demonstrated by at least a Pre-Feasibility Study including adequate information on mining, processing, metallurgy, and economic and other factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Proven Reserve is the economically mineable part of a Measured Resource demonstrated by the same level and factors as above. A Proven Mineral Reserve implies that there is a high degree of confidence.

The current Mineral Reserve used for mine planning purposes has not yet taken the updated Resource into account.

The 7.35% Mineral Reserve tonnage increase has been achieved by an optimised extraction ratio on the UG2. The conversion to Mineral Reserves was undertaken at 3.5g/t stope cut-off grade. Each stope has been fully diluted for mine modeling purposes by way of planned dilution and additional dilution for all aspects of the mining process. The estimated resulting grade to the mill is 1% higher on the Merensky Reef and the same on the UG2 contrasted from the July 2008 Feasibility Study estimate of mill head grade. The Inferred Resources are outside and in addition to the reserves.

The Independent Qualified Person for the Statement of Reserves is Tim Spindler.

Reserves – 100% Basis

Merensky

Tonnes (000)	4E	Content 4E	
t	g/t	Tonne	Moz
Merensky Proven			
6,678	5.61	37.478	1.205
Merensky Probable			
11,333	5.44	61.677	1.98
Total Merensky Mineral Reserves			
18,011	5.51	99.155	3.188

UG2

Tonnes (000)	4E	Content 4E	
t	g/t	tonnes	Moz
UG2 Proven			
5,086	3.37	17.126	0.55
UG2 Probable			
8,449	3.41	28.831	0.927
Total UG2 Mineral Reserves			
13,535	3.40	45.957	1.478

Prill Splits	Pt	Pt (g/t)	Pd	Pd (g/t)	Rh	Rh (g/t)	Au	Au (g/t)
Project 1 & 1A MR	64%	3.52	27%	1.49	4%	0.22	5%	0.28
Project 1 & 1A UG2	63%	2.15	26%	0.88	10%	0.34	1%	0.03

The prill splits as shown above are the same percentages as for the earlier reported Measured and Indicated Resources. These prill split grams per tonne are provided to satisfy the requirements of the BCSC and are not in compliance with SAMREC best practice. The splits have a lower confidence level when compared to the 4E grades. The reserves are stated with certain risk factors including, but not limited to, mining project risks as highlighted in the "Risks and Opportunities" section as well in the disclosure statement.

The Updated Feasibility Study recommends a series of five simultaneous declines accessing the deposit with a mining rate of 156,000 tonnes per month, which provides 13 years of steady state tonnage production. First ore is reached by development 13 months from the commencement of underground work. Mining is only scheduled on the reserves. There are further Inferred Resources in the Project 1 area which may represent additional production potential. The lower grade UG2 resources also provide some future opportunities. The mining and development plan includes conventional hand held drilling utilizing electrical drills and scraper winch cleaning similar to the successful conventional mining at the adjacent producing Bafokeng Rasimone Platinum Mine. Declines and primary access to the deposit is designed for development with mechanized equipment. Ore is initially to be hauled out of the mine with mechanized equipment and assisted then by conveyor from year 4 of mine life to end of mine life.

The Merensky Reef will be mined at widths between 93cm and 176cm at an average of 115cm and the UG2 Reef will be mined at widths between 105cm and 205cm at an average of 153cm.

At the recommended mining rate and modifying factors the mine plan generates approximately 234,000 – 300,000 4E in concentrate per year, of which approximately 160,000 ounces are platinum. Full steady state ounce production occurs for 9 years from the Merensky Reef horizon with a 22 year planned mine life.

Infrastructure and Metal Recovery

The Updated Feasibility Study design for metallurgical extraction utilizes a standard plant design similar to other nearby plants in the Bushveld complex operating on the same reefs. The plant is designed with circuits that can process Merensky Reef, UG2 Reef or a controlled blended feed. The Merensky Reef is the target of initial mining because of its higher 4E grade and low chrome content. The concentrator has been designed and re-costed, based on treating the optimal 140,000 tonnes per month. The revised mine plan has increased this treatment rate to 160,000 tonnes per month and for the concentrator to treat this increased quantity of reef, the recovery has been reduced with a discount of up to 2.5% for treatment in excess of nominal "name plate" capacity.

Metallurgical testing and the published experience of the adjacent operating mines support a "name plate" capacity plant recovery rate estimate of 87.5% of platinum, palladium, rhodium and gold on the Merensky Reef and 82.5% on the UG2 Reef. Recoveries of 45% for nickel and 70% for copper are also modeled for the Merensky Reef. Ruthenium and Iridium are also included as minor contributors. No additional metallurgical test work has been undertaken during the Updated Feasibility Study.

The mine infrastructure in the capital cost estimates includes the entire required surface infrastructure for a stand alone mine including water, power, underground access and ventilation to establish full production.

Smelter Terms

The Updated Feasibility Study includes capital and operating estimates to produce concentrate but no capital is included for smelting or refining of this concentrate. The costs associated with smelting and refining of concentrate is modeled as a deduction from revenue arising from the sale of concentrate to others. While the terms of agreements governing the sale of such concentrates within the South African PGM industry are all confidential, the Qualified Person believes deductions used in the Updated Feasibility Study financial model are indicative of deductions current in this industry. The party to whom concentrate will be sold and the terms of this potential sale are yet to be determined. Anglo Platinum has a 60 day right of first refusal to purchase all of the ore or concentrate produced by the WBJV on commercial terms. Estimated deductions in the Updated Feasibility Study include penalties and shipment charges and total approximately 15% from gross concentrate sales revenue. Should Anglo Platinum decide to purchase the concentrate produced by the Project 1 mine the structure of such purchase would be governed by the pro-forma off-take agreement included in the WBJV Agreement, however the commercial terms will be subject to negotiation. Approaches will now be made to Anglo Platinum and other parties in an attempt to secure an off-take agreement and the terms thereof based on the Updated Feasibility Study production profile.

Financial Details

The results of the Updated Feasibility Study show a strong Internal Rate of Return "IRR" (pre-tax) for the Base Case of 23.54%. The Base Case is modeled using 3 year trailing metal prices including US$1,343 per ounce platinum, an exchange rate of 8 Rand to the US Dollar and a 10% discount rate. Using recent metal prices to September 2009, including US$1,295 per ounce platinum, the IRR for the project (pre-tax) is 15.63%. The model does not include escalation due to inflation of costs or metal prices.

Average life-of-mine cash operating costs to produce concentrate is now estimated at R525 per tonne (US$65.63) of ore or R4,208 (US$526) per 4E ounce on a life of mine basis. Operating costs and underground development costs have increased from those in the July 2008 Feasibility Study as a result primarily of mining related cost including labour increases. The Merensky Reef layer represents the first 15 years of production and the Merensky basket price per 4E ounce is modeled at US$1,185 (3 year trailing prices) and US$1,025 (recent prices). The UG2 layer represents the balance of the production. The UG2 basket price per 4E ounce is modeled at US$1,433 (3 year trailing prices) and US$1,068 (recent prices). The model includes a subsequent average 15.16% discount from the metal price to estimate the smelter pay discount.

The project has an estimated life of 22 years with 9 years at a steady state of production of 234,000 to 300,000 ounces per year. The capital cost for the mine and concentrator complex are R3.55 billion or US$443.13 million for peak funding and R4.76 billion or US$595.04 million for life of mine funding. The life of mine capital cost estimate has been reduced from that in the July 2008 Feasibility Study by US$89m as a result of change in design to use mostly grid power rather than self generated power and improvements in mine design.

The following tables set out the key details of the Updated Independent Feasibility Study:

METAL PRICES & EXCHANGE RATE		**Case A 3 Year Trailing Prices**	**Case B Recent Prices**
Platinum	(US$/oz)	1,343	1,295
Palladium	(US$/oz)	322	296
Rhodium	(US$/oz)	4,951	1,650
Gold	(US$/oz)	807	997
Copper	(US$/tonne)	6,428	6,250
Nickel	(US$/tonne)	25,529	18,000
Rand/US$		8.00	8.00

FINANCIAL PARAMETERS AND INDICATORS at R8.00				
Basket Prices 4E Pt, Pd, Rh, Au	**R/kg Case A**	**US$/oz Case A**	**R/kg Case B**	**US$/oz Case B**
Basket Price Merensky Reef	304,751	1,185	263,526	1,025
Basket Price UG2 Reef	368,571	1,433	274,639	1,068

Smelter and Refinery Discount	Smelter Discount	US$/oz Case A	US$/oz Case B
Reduction in Basket Price MR	15.16%	$180	$155
Reduction in Basket Price UG2	15.16%	$217	$162
Received Basket Price for MR	15.16%	$1,005	$869
Received Basket Price for UG2	15.16%	$1,216	$906

TAXES		
Government Royalty Payment: PGM	(% of Revenue)	3%
Government Royalty Payment: Base Metals	(% of Revenue)	2%
Company Tax	(% of Profit)	28%
Secondary Tax on Companies (STC)	(% of profit)	10%

EVALUATION (NET PRESENT VALUE)		NPV 5% Discount	NPV 10% Discount
3 Year Trailing Price (Case A)	R (Million)	7,848	3,804
(Pre-tax)	US$ (Million)	981	475
	IRR		**23.54%**
3 Year Trailing Price (Case A)	R (Million)	4,660	2,031
(Post Tax)	US$ (Million)	582	254
	IRR		**18.94%**
Recent Prices (Case B)	R (Million)	3,671	1,330
(Pre-tax)	US$ (Million)	459	166
	IRR		**15.63%**
Recent Prices (Case B)	R (Million)	2,016	425
(Post Tax)	US$ (Million)	252	53
	IRR		**12.15%**

CAPITAL COST	Rand	US$
Peak funding Case A	3,545,237,000	443,125,000
Peak funding Case B	3,727,106,000	465,888,000
Total Life of Mine Capital Costs	4,760,280,000	595,035,000

WORKING COSTS EXCLUDING SMELTER DISCOUNT	US$/4E oz	R / tonne milled
Cost during ramp up including power generation	$543	R717
Cost at steady state grid power post 2013	$521	R491
Life of Mine Average	$526	R525

Sensitivity Three Year Trailing Metals Prices

PRE-TAX

Parameter	Change in Parameter	Change in Parameter	Change in Parameter
PGM Basket Price	-20%	0%	20%
IRR (pre-tax)	14.5%	23.5%	31.2%
NPV (5% Discount) R(M)	3,494	7,848	12,202
US$ (M)	437	981	1,525
Opex	-20%	0%	20%
IRR (after tax)	27.5%	23.5%	19.4%
NPV (5% Discount) R (M)	9,835	7,848	5,861
US$ (M)	1,229	981	733
Capex	-20%	0%	20%
IRR (after tax)	28.4%	23.5%	19.9%
NPV (5% Discount) R (M)	8,635	7,848	7,061
US$ (M)	1,079	981	883

POST-TAX

Parameter	Change in Parameter	Change in Parameter	Change in Parameter
PGM Basket Price	-20%	0%	20%
IRR (post-tax)	11.3%	18.9%	25.3%
NPV (5% Discount) R (M)	1,892	4,660	7,393
US$ (M)	236	583	924
Opex	-20%	0%	20%
IRR (post-tax)	22.3%	18.9%	15.4%
NPV (5% Discount) R (M)	5,917	4,660	3,393
US$ (M)	740	583	424
Capex	-20%	0%	20%
IRR (post-tax)	23.0%	18.9%	15.9%
NPV (5% Discount) R (M)	5,202	4,660	4,111
US$ (M)	650	583	514

Social Development and Responsibilities

Feedback from the public consultation processes for the environmental assessment and social and labour plan development have been constructive and positive. The mine capital development plan includes a significant investment in training through the life of mine, allocated to a social and labour plan to ensure maximum value from the project for all stakeholders including local residents. Based on interaction with the community, a skills and needs assessment, and our training plans the project is planning for 2,700 jobs with a target of at least 30% from the local communities. The WBJV is committed to a strong community involvement in the project particularly as Wesizwe Platinum is a 26% partner in the project and their largest shareholder is one of the communities near the mine. The mine's financial estimates include an accumulated charge per tonne to create a fund for eventual closure of the mine projected in 2031.

Dividends

The Company has not declared nor paid dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

Description of Capital Structure

Our authorized share structure consists of an unlimited number of common shares without par value, of which 92,848,667 common shares were issued and outstanding as at November 27, 2009. All of the issued common shares are fully paid. The Company does not own any of its common shares.

Shareholders are entitled to one vote for each share on all matters to be voted on by the shareholders. Each common share is equal to every other common share and all common shares participate equally on liquidation, dissolution or winding up of our company, whether voluntary or involuntary, or any other distribution of our assets among our shareholders for the purpose of winding up our affairs after we have paid out our liabilities. The shareholders are entitled to vote for each share held and are entitled to receive *pro rata* such dividends as may be declared by the board of directors out of funds legally available therefore and to receive *pro rata* the remaining property of our company upon dissolution. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights, and no provisions for redemption, purchase or cancellation, surrender, sinking fund or purchase fund. Provisions as to the creation, modification, amendment or variation of such rights or such provisions are contained in the *Business Corporations Act* (British Columbia) (the "BCA") .

Market for Securities

Trading Price and Volume

The Company's common shares are listed on the Toronto Stock Exchange under the symbol "PTM" and on the NYSE AMEX under the symbol "PLG".

The following tables provide information as to the high, low trading prices of the Company's shares during the 12 months of the most recently completed financial year as well as the volume of shares traded for each month:

Toronto Stock Exchange - PTM

Month	***High***	***Low***	***Volume***
September, 2008	3.00	1.04	2,352,000
October, 2008	1.50	0.71	1,898,400
November, 2008	1.75	0.87	1,046,200
December, 2008	1.86	1.35	1,787,600
January, 2009	2.86	1.70	1,930,100
February, 2009	2.43	1.40	1,396,900
March, 2009	1.79	1.30	1,034,900
April, 2009	1.62	1.37	1,034,900
May, 2009	1.74	1.20	2,145,900
June, 2009	1.44	0.95	3,836,400
July, 2009	1.25	0.90	3,787,800
August, 2009	1.32	1.13	1,914,900

NYSE AMEX – PLG

Month	*High*	*Low*	*Volume*
September, 2008	2.85	1.09	1,453,500
October, 2008	1.40	0.60	1,534,300
November, 2008	1.45	0.70	1,809,600
December, 2008	1.69	1.08	2,218,800
January, 2009	2.43	1.31	2,324,300
February, 2009	1.95	1.10	2,415,200
March, 2009	1.50	1.01	1,510,000
April, 2009	1.47	1.11	1,109,500
May, 2009	1.60	1.18	1,018,600
June, 2009	1.36	0.99	2,352,300
July, 2009	1.11	0.79	1,708,200
August, 2009	1.24	1.03	1,782,700

Prior Sales

None

Escrowed Securities

There are no securities of the Company held in escrow.

Directors and Officers

Name & Position	Principal Occupation or Employment	Director since
R. MICHAEL JONES President, CEO and Director British Columbia, Canada	Professional Geological Engineer President and Chief Executive Officer of the Company and a predecessor company from 2000 to present.	February 18, 2002
FRANK R. HALLAM (3) CFO, Secretary and Director British Columbia, Canada	Chartered Accountant Chief Financial Officer of the Company and the founder of a predecessor company from 1983 to present.	February 18, 2002
BARRY SMEE (1)(2)(3) Director British Columbia, Canada	Geologist and Geochemist President of Smee & Associates, a private consulting, geological and geochemistry company, since 1990.	February 18, 2002
IAIN McLEAN (1)(2)(3) Director and Corp. Consultant to Co. British Columbia, Canada	General Management Consultant. Former CEO of Municipal Software Corporation of Canada, a software development company based in Victoria BC. Former Vice President and General Manager of Total Care Technologies, a division of Ad Opt Technologies Inc, a medical software development company.	February 18, 2002
ERIC CARLSON (1) (2) Director British Columbia, Canada	Chartered Accountant President and Chief Executive Officer of Anthem Properties Corp., an investment group specializing in the acquisition and management of residential and office properties in Canada and the United States, since July 1994.	February 18, 2002
PETER BUSSE COO British Columbia, Canada	Professional Mining Engineer Chief Operating Officer of the Company since October 2007. Former GM Procon Group, a contract mining development company, 2006 to 2007. Former Mine Manager, Placer Dome, Campbell Mine, 2002 to 2006.	N/A

Notes:
(1) Member of the Audit Committee
(2) Member of Compensation Committee
(3) Member of Governance and Nominating Committee

As of November 27, 2009, directors and officers of the Company own or control approximately 2,724,625 common shares of the Company representing approximately 2.93% of its issued and outstanding shares.

The term of office for each director of the Company expires at the annual general meeting of shareholders where they can be nominated for re-election.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, or during the ten years preceding the date of this Annual Information Form has been, a director, chief executive officer or chief financial officer of any company that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(c) is, or during the ten years preceding the date of this Annual Information Form has been, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets; or

(d) has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities to affect materially control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of British Columbia the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the laws of British Columbia shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. The directors and officers of the Company are not aware of any such conflicts of interests.

Code of Ethics

The Company has adopted a Code of Business Conduct (the "Code") that applies to all of its directors, officers and employees, including the Chief Executive Officer and Chief Financial Officer. The Code includes provisions covering conflicts of interest, ethical conduct, compliance with applicable government laws, rules and regulations, disclosure in reports and documents filed with, or submitted to, the SEC, reporting of violations of the Code and accountability for adherence to the Code. A copy of the Code is posted on the Company's website, at www.platinumgroupmetals.net.

Committees of the Board of Directors

Audit Committee

The Audit Committee is responsible for reviewing the Company's financial reporting procedures, internal controls and the performance of the Company's external auditors. See Audit Committee Charter attached herein as Schedule "A".

Audit Committee Composition and Background

The Audit Committee is comprised of Eric Carlson (Chairman), Iain McLean and Barry Smee. All three members of the Audit Committee are independent and financially literate, meaning they are able to read and understand the Company's financial statements and to understand the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. In addition to each member's general business experience, the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee are set forth below:

Eric H. Carlson, B.Comm, Chartered Accountant - Mr. Carlson has over 20 years of real estate investment, development and management experience and he has been the President of Anthem Properties Corp. since July 1994. Anthem is an investment group that specializes in the acquisition and management of Class B retail, multi family residential and office properties in high growth markets in Canada and the USA.

Iain D. C. McLean, B.Sc.Eng (ARSM), M.B.A., MIMM. C. Eng. - Experience as senior executive in several public companies managing operations, listings, capital raising, etc. Also has experience in underground mining operations in the UK and South Africa.

Dr. Barry W. Smee, Ph.D., P.Geo - Professional Geologist/Geochemist with 36 years in mineral exploration as quality control and laboratory audit expert.

The Board of Directors has determined that each of Mr. McLean and Mr. Carlson is an audit committee financial expert within the meaning of the regulations promulgated by the SEC and is independent within the meaning of the NYSE-AMEX Company Guide. Mr. McLean has an M.B.A. from Harvard Business School and a B.Sc (Eng.) in Mining from the Imperial College of Science and Technology (London, England). In addition to his education, Mr. McLean has gained relevant experience acting as the Chief Operating Officer of several private technology companies since 1995 and as the Vice President of Operations at Ballard Power Systems from 1993 to 1995. Mr. Carlson is a Chartered Accountant and holds a Bachelor of Commerce degree from the University of British Columbia.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the exemptions set out in Sections 2.4, 3.2, 3.4 or 3.5 of National Instrument 52-110 *Audit Committees* ("NI 52-110"), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. No non-audit services were approved pursuant to a de minimis exemption to the pre-approval requirement.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Pre-Approval Policies and Procedures

The Company's audit committee is authorized to review the performance of the Company's independent auditors and pre-approves all audit and non-audit services to be provided to the Company by its independent auditor. Prior to granting any pre-approval, the audit committee must be satisfied that the performance of the services in question is not prohibited by applicable securities laws and will not compromise the independence of the independent auditor. All non-audit services performed by the Company's auditor for the fiscal year ended August 31, 2009 and August 31, 2008 have been pre-approved by the audit committee.

Independent Auditor's Fees

The aggregate fees billed by the Company's current independent auditor, PricewaterhouseCoopers LLP.

	Year ended August 31, 2009	Year ended August 31, 2008
Audit Fees	$210,000	$213,000
Audit-Related Fees (1)	$57,680	$45,000
Tax Fees (2)	$66,564	$10,000
All Other Fees (3)	$56,500	$38,000
Total	$390,744	$306,000

Notes:

(1) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements, which are not included under the heading "Audit Fees".
(2) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning, and restructuring advice.
(3) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

Legal Proceedings and Regulatory Actions

There are no pending or material proceedings to which our company is or is likely to be a party or of which any of our properties is or is likely to be the subject.

Interest of Management and Others in Material Transactions

No director, executive officer or principal shareholder of the Company, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this Annual Information Form that has materially affected or will materially affect the Company.

Transfer Agents and Registrars

The Company's transfer agent and registrar is:

Computershare Investor Services Inc.
3 rd floor – 510 Burrard Street
Vancouver, British Columbia
Canada V6C 3B9

Material Contracts

There are no contracts of the Company other than contracts entered into in the ordinary course of business of the Company and the Western Bushveld Joint Venture Agreement (See "General Development of the Company"), that are material to the Company and that were entered into within the most recently completed financial year of the Company or before the most recently completed financial year of the Company and which are still in effect.

Interests of Experts

Charles J. Muller, Minxcon (Pty) Ltd., Gordon I. Cunningham, Timothy Spindler, Turnberry Projects (Pty) Ltd., Byron Stewart, Wardrop Engineering Inc., David Gray, Snowdon Mining Industry Consultants Inc., Adam Miethke, Ken Lomberg and Coffey Mining (South Africa) (Pty) Ltd. have been named as having prepared reports described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by the Company during, or relating to, the Company's most recently completed financial year.

None of the aforementioned firms or persons held any securities or property of the Company or any associate or affiliate of the Company when they prepared the reports referred to above or following the preparation of such reports nor did they receive any direct or indirect interest in any securities or other property of the Company or any associate or affiliate of the Company in connection with the preparation of the reports (other than compensation in cash for their services).

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

The Company's independent auditors are PricewaterhouseCoopers LLP, Chartered Accountants, who have issued an independent auditors' report dated November 23, 2009 in respect of the Company's consolidated financial statements as at August 31, 2009 and for the year ended August 31, 2009 and the Company's internal control over financial reporting as at August 31, 2009. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia and the rules of the US Securities and Exchange Commission.

Additional Information

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including details as to directors' and officers' remuneration, principal holders of the Company's shares, options to purchase Company shares and certain other matters, is contained in the Company's Management Information Circular for the Annual General Meeting of shareholders to be held on January 12, 2010. The Circular will be made available on SEDAR concurrent with the delivery of the document to the Company's shareholders.

Additional financial information is provided in the Company's 2009 Annual Report containing the Management's Discussion and Analysis and the Consolidated Financial Statements for the year ended August 31, 2009.

Copies of the above may be obtained, when available, on the Company's website www.platinumgroupmetals.net ; on the SEDAR website at www.sedar.com ; or by calling the Company's investor relations personnel at 604-899-5450.

Schedule "A"

PLATINUM GROUP METALS LTD.
(the "Corporation")

AUDIT COMMITTEE CHARTER

1. General

The Board of Directors of the Corporation (the "Board") has established an Audit Committee (the "Committee") to assist the Board in fulfilling its oversight responsibilities. The Committee will review and oversee the financial reporting and accounting process of the Corporation, the system of internal control and management of financial risks, the external audit process, and the Corporation's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Corporation's business, operations and risks.

The Corporation's independent auditor is ultimately accountable to the Board and to the Committee. The Board and Committee, as representatives of the Corporation's shareholders, have the ultimate authority and responsibility to evaluate the independent auditor, to nominate annually the independent auditor to be proposed for shareholder approval, to determine appropriate compensation for the independent auditor, and where appropriate, to replace the outside auditor. In the course of fulfilling its specific responsibilities hereunder, the Committee must maintain free and open communication between the Corporation's independent auditors, Board and Corporation management. The responsibilities of a member of the Committee are in addition to such member's duties as a member of the Board.

2. Members

The Board will in each year appoint a minimum of three (3) directors as members of the Committee. All members of the Committee shall be non-management directors and shall be independent within the meaning of all applicable U.S. and Canadian securities laws and the rules of the Toronto Stock Exchange and the American Stock Exchange, unless otherwise exempt from such requirements.

None of the members of the Committee may have participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the past three years.

All members of the Committee shall be able to read and understand fundamental financial statements and must be financially literate within the meaning of all applicable U.S. and Canadian securities laws or become financially literate within a reasonable period of time following his or her appointment. Additionally, at least one member of the Committee shall be financially sophisticated and shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, which may include being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities.

3. Duties

The Committee will have the following duties:

- Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review any legal matters which could significantly impact the financial statements as reported on by the Corporation's counsel and engage outside independent counsel and other advisors whenever as deemed necessary by the Committee to carry out its duties.
- Review the Corporation's annual and quarterly financial statements, including Management's Discussion and Analysis with respect thereto, and all annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the external auditors and determine whether they are complete and consistent with the information known to Committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.
- Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- Review audit issues related to the Corporation's material associated and affiliated companies that may have a significant impact on the Corporation's equity investment.
- Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- Evaluate the fairness of the interim financial statements and related disclosures including the associated Management's Discussion and Analysis, and obtain explanations from management on whether:
  - actual financial results for the interim period varied significantly from budgeted or projected results;
  - generally accepted accounting principles have been consistently applied;
  - there are any actual or proposed changes in accounting or financial reporting practices; or
  - there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.

- Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.

- Recommend to the Board an external auditor to be nominated for appointment by the Corporation's shareholders. Subject to the appointment of the Corporation's external auditor by the Corporation's shareholders, the Committee will be directly responsible for the appointment, compensation, retention and oversight of the work of external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. The Corporation's external auditor shall report directly to the Committee.
- Review with the Corporation's management, on a regular basis, the performance of the external auditors, the terms of the external auditor's engagement, accountability and experience.
- Pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor.
- Consider at least annually the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services obtained by the Corporation, including:
  - insuring receipt from the independent auditor of a formal written statement delineating all relationships between the independent auditor and the Company, consistent with the Independence Standards Board Standard No. 1 and related Canadian regulatory body standards;
  - considering and discussing with the independent auditor any relationships or services, including non-audit services, that may impact the objectivity and independence of the independent auditor; and
  - as necessary, taking, or recommending that the Board take, appropriate action to oversee the independence of the independent auditor.
- Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure contained in the Corporation's financial statements, Management's Discussion and Analysis and annual and interim earnings press releases; and must periodically assess the adequacy of those procedures.
- Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- Establish a procedure for:
  - the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
  - the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
  - Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately in the absence of management.
  - Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
  - Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
  - Review and oversee all related party transactions.
  - Perform other functions as requested by the Board.
  - If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.
  - Review and re-assess annually the adequacy of this Charter and recommend updates to this charter; receive approval of changes from the Board.
  - With regard to the Corporation's internal control procedures, the Committee is responsible to:
  - review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those related to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management; and
  - review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate; and
  - review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
  - periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
  - Comply with Rule 10A – 3(b)(2), (3), (4) and (5) under the Securities Exchange Act of 1934.

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1. Chair

The Committee will in each year appoint the Chair of the Committee from among the members of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select another member as Chair. The Chair will not have a casting vote.

2. Meetings

The Committee will meet at least once every calendar quarter. Special meetings shall be convened as required. Notices calling meetings shall be sent to all members of the Committee, all Board members and the external auditor. The external auditor of the Corporation must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Committee. At the request of the external auditor, the Committee must convene a meeting of the Committee to consider any matter that the external auditor believes should be brought to the attention of the Board or shareholders of the Corporation.

The Committee may invite such other persons (e.g. without limitation, the President or Chief Financial Officer) to its meetings, as it deems appropriate.

3. Quorum

A majority of members of the Committee, present in person, by teleconferencing, or by videoconferencing, or by any combination of the foregoing, will constitute a quorum.

4. Removal and Vacancy

A member may resign from the Committee, and may also be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to be a director of the Corporation. The Board will fill vacancies in the Committee by appointment from among the directors in accordance with Section 2 of this Charter. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members will exercise all of the Committee's powers.

5. Authority

The Committee may:

- engage independent counsel and other advisors as it determines necessary to carry out its duties.
- set and pay the compensation for any advisors employed by the Committee; and
- communicate directly with the internal and external auditors.

The Committee may also, within the scope of its responsibilities, seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice, and to ensure the attendance of Corporation officers at meetings as appropriate.

1. Secretary and Minutes

The Chair of the Committee will appoint a member of the Committee or other person to act as Secretary of the Committee for purposes of a meeting of the Committee. The minutes of the Committee meetings shall be in writing and duly entered into the books of the Corporation, and will be circulated to all members of the Board.

2. Funding

The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of (a) compensation to any registered public accounting firm engaged for the purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; (b) compensation to any advisers employed by the Committee; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carry out its duties.

Schedule “B”
Glossary of Mining Terms

The following is a glossary of certain mining terms used in this Annual Information Form.

“AEM” is an abbreviation for airborne electromagnetic.

"Ag" refers to silver.

“anomalous” refers to a sample or location that either (i) the concentration of an element(s) or (ii) geophysical measurement is significantly different from the average background values in the area.

“anomaly” refers to the geographical area corresponding to anomalous geochemical or geophysical values.

“anorthosite” is a rock comprised of largely feldspar minerals and minor mafic iron-magnesium minerals.

"As" refers to arsenic.

“assay” is an analysis to determine the quantity of one or more elemental components.
"Au" refers to gold.

“BIC” is an abbreviation for the Bushveld Igneous Complex in South Africa, the source of most of the world’s platinum and is a significant producer of palladium and other platinum group metals (PGM’s) as well as chrome.

“breccia” is a rock type with angular fragments of one composition surrounded by rock of another composition or texture.

"bulk placer sampling" (in the context of placer properties) refers to the process of obtaining individual gravel samples in the order of 5 to 15 cubic yards using an excavating machine and running the samples through a concentrating device to measure the placer gold content per cubic yard.

“chalcopyrite” is a copper sulfide mineral.

“channel sample” is a surface sample which has been collected by continuous sampling across a measured interval, and is considered to be representative of the area sampled.

“chargeability” is a measure of electrical capacitance of a rock that may indicate the presence of disseminated sulfide minerals but not all chargeability features are caused by such sulfides.

"cm" refers to centimetres.

“crosscut” is a mine working, which is driven horizontally and at right angles to an adit, drift or level.

"Cu" refers to copper.

“deposit” is a mineralized body, which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures. Such a deposit does not qualify as a commercially mineable ore body or as containing ore reserves, until final legal, technical, and economic factors have been resolved.

“diamond drill” is a type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of the long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock that is covered in long cylindrical sections, an inch or more in diameter.

“early-stage exploration property” refers to a property that has been subjected to a limited amount of physical testing and systematic exploration work with no known extensive zone of mineralization.

“EM” is an abbreviation for electromagnetic.

“exploration stage” refers to the stage where a company is engaged in the search for minerals deposits (reserves), which are not in either the development or production stage.

“fault” is a fracture in a rock across which there has been displacement.

“fracture” is a break in a rock, usually along flat surfaces.

“gabbro” is an intrusive rock comprised of a mixture of mafic minerals and feldspars.

“gossanous” refers to a rock outcrop that is strongly stained by iron oxides.

“grab sample” is a sample of selected rock chips collected from within a restricted area of interest.

“grade” is the concentration of an ore metal in a rock sample, given either as weight percent for base metals (i.e., Cu, Zn, Pb) or in grams per tonne (g/t) or ounces per short ton (oz/t) for precious or platinum group metals.

"g/t" refers to grams per tonne.

“highly anomalous” is an anomaly, which is in approximately the 90 th percentile of the sample or measurement population.

"ICP" refers to inductively coupled plasma, a laboratory technique used for the quantitative analysis of samples (soil, rock, etc.) taken during field exploration programs.

“indicated mineral resource” is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

“inferred mineral resource” is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

“intrusive” is a rock mass formed below earth’s surface from molten magma, which was intruded into a pre-existing rock mass and cooled to solid.

"IP survey" refers to induced polarization survey, a geophysical method of exploring an area in which physical properties relating to geology are used.

“kriging” is the numerical modelling by applying statistics to resource calculations (or other earth sciences problems). The method recognizes that samples are not independent and that spatial continuity between samples exists.

"lode mining" refers to mining in solid rock.

“mafic” is a rock type consisting of predominantly iron and magnesium silicate minerals with little quartz or feldspar minerals.

“magmatic” means pertaining to magma, a naturally occurring silicate melt, which may contain suspended silicate crystals, dissolved gases, or both; magmatic processes are at work under the earth’s crust.

“measured mineral resource” is that part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

“mid-stage exploration property” is one hosting a known zone of mineralization, which has been subjected to a limited amount of physical testing and systematic exploration work.
“mineralization” refers to minerals of value occurring in rocks.
“mineral reserve” is the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when material is mined.

“mineral resource” is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.

"Mo" refers to molybdenum, a hard, silver-white metal.

“National Instrument 43-101” NI 43-101 entitled “Standards if Disclosure for Mineral Projects” sets out Canadian securities reporting guidelines for mining companies.
“Ni” is an abbreviation for nickel.

“outcrop” refers to an exposure of rock at the earth’s surface.

“overburden” is any material covering or obscuring rocks from view.

"Pd" refers to palladium.

"PGM" refers to platinum group metals, i.e. platinum, palladium, rhodium and gold.

"PGE" refers to mineralization containing platinum group elements, i.e. platinum, palladium, rhodium and gold.

"placer mining" is the mining of unconsolidated material, which overlies solid rock (bedrock).

“ppb” refers to parts per billion.

"ppm" refers to parts per million.

“probable mineral reserve” is the economically mineable part of an indicated, and in some circumstances a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

“proven mineral reserve” is the economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified
"Pt” refers to platinum.

“pyrite” is an iron sulfide mineral.

“pyroxenite” refers to a relatively uncommon dark-coloured rock consisting chiefly of pyroxene; pyroxene is a type of rock containing sodium, calcium, magnesium, iron, titanium and aluminum combined with oxygen.

“quartz” is a common rock-forming mineral (SiO_2).

"Rh" refers to rhodium, a platinum metal. Rhodium shares some of the notable properties of platinum, including its resistance to corrosion, its hardness and ductility. Wherever there is platinum in the earth, there is rhodium as well. In fact, most rhodium is extracted from a sludge that remains after platinum is removed from the ore. A high percentage of rhodium is also found in certain nickel deposits in Canada.

“room and pillar mining” is a method of mining flat-lying ore deposits in which the mined-out areas, or rooms, are separated by pillars of approximately the same size.

“stope” is an underground excavation from which ore has been extracted.

“tailings” is the material that remains after all metals considered economic have been removed from ore during milling.

"ultramafic" refers to types of rock containing relatively high proportions of the heavier elements such as magnesium, iron, calcium and sodium; these rocks are usually dark in colour and have relatively high specific gravities.

"VLF" means very low frequency.

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Platinum Group Metals Ltd. (the “Company”) on Form 40-F for the period ended August 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, R. Michael Jones, President, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

R. Michael Jones
President, Chief Executive Officer and Director
November 30, 2009

Rule 13a-14(a) Certification

I, R. Michael Jones, certify that:

1. I have reviewed this annual report on Form 40-F of Platinum Group Metals Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: November 30, 2009

R. Michael Jones
President, Chief Executive Officer and Director

Rule 13a-14(a) Certification

I, Frank R. Hallam, certify that:

1. I have reviewed this annual report on Form 40-F of Platinum Group Metals Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: November 30, 2009

Frank R. Hallam
Chief Financial Officer and Director

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Platinum Group Metals Ltd. (the "Company") on Form 40-F for the period ended August 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank R. Hallam, Chief Financial Officer and Director of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Frank R. Hallam
Chief Financial Officer and Director
November 30, 2009

CONSENT OF EXPERT

Reference is made to the Annual Report on Form 40-F (the "40-F") of Platinum Group Metals Ltd. (the "Company") for the fiscal year ended August 31, 2009 to be filed with the United States Securities and Exchange Commission pursuant to the United States Securities Exchange Act of 1934, as amended, and the Annual Information Form (the "AIF") and Management's Discussion and Analysis ("MD&A") of the Company for the year then ended, which are incorporated by reference therein.

Each of the undersigned hereby consents to the references to, and the information derived from, the reports titled "Revised Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)" dated June 10, 2009, "Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)" dated July 7, 2008 and "Competent Persons Report on Project 3 of the Western Bushveld Joint Venture (WBJV) Located on the Western Limb of the Bushveld Igneous Complex, South Africa" dated June 9, 2008 and to the references, as applicable, to the undersigned's name in the 40-F, the AIF and the MD&A.

Minxcon (Pty) Ltd

*//signed//*________
Charles J. Muller
Director

Date: November 27, 2009

PricewaterhouseCoopers LLP
Chartered Accountants
PricewaterhouseCoopers Place
250 Howe Street, Suite 700
Vancouver, British Columbia
Canada V6C 3S7
Telephone +1 604 806 7000
Facsimile +1 604 806 7806

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Annual Report on Form 40-F of Platinum Group Metals Ltd. of our report dated November 23, 2009 relating to the consolidated financial statements for the year ended August 31, 2009, August 31, 2008 and August 31, 2007 and the effectiveness of internal control over financial reporting as of August 31, 2009, which appears in the Annual Report to Shareholders.

(signed) PricewaterhouseCoopers LLP

Chartered Accountants
Vancouver, British Columbia
November 30, 2009

CONSENT OF EXPERT

Reference is made to the Annual Report on Form 40-F (the “40-F”) of Platinum Group Metals Ltd. (the “Company”) for the fiscal year ended August 31, 2009 to be filed with the United States Securities and Exchange Commission pursuant to the United States Securities Exchange Act of 1934, as amended, and the Annual Information Form (the “AIF”) and Management’s Discussion and Analysis (“MD&A”) of the Company for the year then ended, which are incorporated by reference therein.

Each of the undersigned hereby consents to the references to, and the information derived from, the report titled “Technical Report (Updated Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)” dated October 8, 2009, “Revised Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)” dated June 10, 2009 and “Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein And Frischgewaagd)” dated July 7, 2008 and to the references, as applicable, to the undersigned’s name in the 40-F, the AIF and the MD&A.

Turnberry Projects (Pty) Ltd.

Name: Gordon Cunningham
Title: Principal Engineer & Managing Director
Date: November 26, 2009

//signed//
Gordon I. Cunningham
Date: November 26, 2009

//signed//
Timothy V. Spindler
Date: November 26, 2009

CONSENT OF EXPERT

Reference is made to the Annual Report on Form 40-F (the “40-F”) of Platinum Group Metals Ltd. (the “Company”) for the fiscal year ended August 31, 2009 to be filed with the United States Securities and Exchange Commission pursuant to the United States Securities Exchange Act of 1934, as amended, and the Annual Information Form (the “AIF”) and Management’s Discussion and Analysis (“MD&A”) of the Company for the year then ended, which are incorporated by reference therein.

Each of the undersigned hereby consents to the references to, and the information derived from, the report titled “Revised Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)” dated June 10, 2009 and “Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)” dated July 7, 2008 and to the references, if any, to the undersigned’s name in the 40-F, the AIF and the MD&A.

Wardrop Engineering Inc.

*//signed//*_____
S. Byron V. Stewart, P.Eng.
Consultant
Wardrop Engineering Inc.

Date: November 27, 2009