PLATINUM GROUP METALS LTD

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

Filed 11/23/11 for the Period Ending 08/31/11

Telephone	6048995450
CIK	0001095052
Symbol	PLG
SIC Code	1040 - Gold And Silver Ores
Industry	Metal Mining
Sector	Basic Materials
Fiscal Year	08/31

UNITED STATES
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, 2011** 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, 2011** , the Registrant had outstanding 177,584,542 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

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, 2011 is incorporated herein by reference.

The audited consolidated financial statements of the Company for the years ended August 31, 2011, 2010 and 2009, 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, 2011 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.

ATTESTATION REPORT OF THE REGISTERED ACCOUNTING FIRM

The information provided under the heading “Report of Independent Registered Public Accounting Firm to the Shareholders of Platinum Group Metals Ltd.” contained at the beginning of the Company’s audited consolidated financial statements 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 – Changes in Internal Controls 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 – Committees of the Board of Directors – Audit Committee Composition and Background” 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

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information provided under the headings “Directors and Officers – Committees of the Board of Directors – Independent Auditor’s Fees” and “Directors and Officers – Committees of the Board of Directors – Pre-Approval Policies and Procedures” 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 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 payments are included in explanatory notes to 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.

Payments by period in Canadian Dollars					
	Total	**< 1 Year**	**1 – 3 Years**	**3 – 5 Years**	**> 5 Years**
Payments (War Springs & Tweespalk) [1]	$ 72,915	$ 14,583	$ 29,166	$ 29,166	$ -
Lease Obligations	406,238	130,790	216,313	59,135	-
Eskom–Power [2]	12,640,885	8,452,435	4,188,450	-	-
Insurance contracts	435,890	302,667	133,223	-	-
Other miscellaneous	110,338	110,338	-	-	
Totals	**$ 13,666,266**	**$ 9,010,813**	**$ 4,567,152**	**$ 88,301**	**$ -**

Explanatory Notes:

(1) The Company pays annual prospecting fees to the vendors of US$3.25 per hectare. The Company has the option to settle the vendors' residual interests in these mineral rights at any time for US$690 per hectare.

(2) The Company's project operating subsidiary Maseve Investments 11 (pty) Ltd. has entered into a long term electricity supply agreement with South African power utility Eskom. Under the agreement the Company is scheduled to receive connection and service for a 10 MVa construction power supply in 2012 and a total 40 MVa production power supply in later calendar 2013 or early 2014 in exchange for connection fees and guarantees totaling Rand 90,508,735 ($12,640,885 at August 31, 2011).

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 – Committees of the Board of Directors –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 21, 2011

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, 2011, 2010 and 2009, including the report of the auditors with respect thereto
3.	Management's Discussion and Analysis for the year ended August 31, 2011
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:NYSE AMEX
PTM:TSX

Annual Information Form of Platinum Group Metals Ltd.
For year ended: August 31, 2011

Annual Information Form – Filed November 22, 2011

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<u>Preliminary Notes</u>

DATE OF INFORMATION

All information in this Annual Information Form ("AIF") of Platinum Group Metals Ltd. ("Platinum Group" or the "Company") is as of August 31, 2011 unless otherwise indicated.

GLOSSARY OF TERMS

Schedule "B" attached hereto contains a glossary of mining terms used in this AIF.

DOCUMENTS INCORPORATED BY REFERENCE

Incorporated by reference into this AIF are the Consolidated Audited Financial Statements of the Company for the year ended August 31, 2011 (the "Financial Statements") as filed on SEDAR on November 21, 2011, a copy of which may be obtained online from SEDAR at www.sedar.com.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this AIF to the extent that a statement contained in this AIF or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this AIF, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes.

The making of such a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

All financial information in this AIF is prepared in accordance with generally accepted accounting principles in Canada.

FORWARD LOOKING STATEMENTS

This AIF and the documents incorporated by reference herein contain "forward-looking statements" and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and US securities legislation. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will, may, could or might occur in the future, including without limitation, statements regarding estimates and/or assumptions in respect of production, revenue, cash flows and costs, estimated project economics, mineral resource and mineral reserve estimates, potential mineralization, potential mineral resources and mineral reserves, projected timing of possible production, the Company's exploration and development plans and objectives with respect to its projects and the successful exercise of the Maseve Subscription Right (as defined herein) are forward-looking statements.

These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements in respect of capital costs, operating costs, production rate, grade per tonne and smelter recovery are based upon the estimates in the Updated Feasibility Study and the forward-looking statements in respect of metal prices and exchange rate are based upon the three year trailing average prices and the assumptions contained in the Updated Feasibility Study.

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual events or results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual events or results were realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events of the Company to differ materially from current expectations include, among other things: metals price volatility; additional financing requirements; economic and political instability; the ability to obtain and maintain necessary permits; fluctuations in the relative values of the Canadian Dollar as compared to the South African Rand and the United States Dollar; property title risks including defective title to mineral claims or property; the mineral exploration industry is extremely competitive; South African foreign exchange controls may limit repatriation of profits; the Company's designation as a "passive foreign investment company"; discrepancies between actual and estimated reserves and resources, between actual and estimated development and operating costs, between actual and estimated metallurgical recoveries and between estimated and actual production; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, South Africa or other countries in which the Company does or may carry out business in the future; success of exploration activities and permitting time lines; the speculative nature of mineral exploration, development and mining, including the risks of obtaining necessary licenses and permits; exploration, development and mining risks and the inherently dangerous nature of the mining industry, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, mine collapses, cave-ins or flooding and the risk of inadequate insurance or inability to obtain insurance to cover these risks and other risks and uncertainties; the Company's limited experience with development-stage mining operations; the Company has a history of losses; most of the Company's properties contain no proven reserves; the ability of the Company to retain its key management employees; conflicts of interest; dilution through the exercise of outstanding options and warrants; share price volatility and no expectation of paying dividends; any disputes or disagreements with the Company's joint venture partners; socio-economic instability in South Africa or regionally; the Company's land in South Africa could be subject to land restitution claims; any adverse decision in respect of the Company's prospecting or future mining rights and projects in South Africa; the introduction of South African State royalties where the Company's current mineral reserves are located; and the other risks disclosed under the heading "Risk Factors" in this AIF.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

CURRENCY AND EXCHANGE

All dollar amounts in this AIF are expressed in Canadian Dollars unless otherwise indicated. The Company's 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 indicated periods, the average of exchange rates 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.

Canadian Dollars to U.S. Dollars	**Year Ended August 31**			
	2011	**2010**	**2009**	**2008**
Rate at end of period	US$1.0221	US$0.9399	US$0.9118	US$0.9411
Average rate for period	US$1.0115	US$0.9565	US$0.8484	US$0.9961
High for period	US$1.0583	US$0.9950	US$0.9711	US$1.0905
Low for period	US$0.9506	US$0.9244	US$0.7653	US$0.9365

The noon rate of exchange on November 21, 2011 as reported by the Bank of Canada for the conversion of Canadian Dollars into United States Dollars was Canadian $1.00 equals US$0.9629.

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 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.

South African Rand to Canadian Dollars	Year Ended August 31		
	2011	2010	2009
Rate at end of period	$0.1397	$0.1443	$0.1409
Average rate for period	$0.1428	$0.1393	$0.1304
High for period	$0.1510	$0.1358	$0.1108
Low for period	$0.1352	$0.1441	$0.1502

The rate of exchange on November 21, 2011 as reported by the Bank of Canada for the conversion of South African Rand into Canadian Dollars was one South African Rand equals Canadian $0.1247.

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 AIF that are defined in National Instrument 51-102 - Continuous Disclosure Obligations (“NI 51-102”) shall bear that definition. Other definitions are set out in National Instrument 14-101 Definitions, as amended.

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* (“NI 43-101”) 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 cannot 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 .

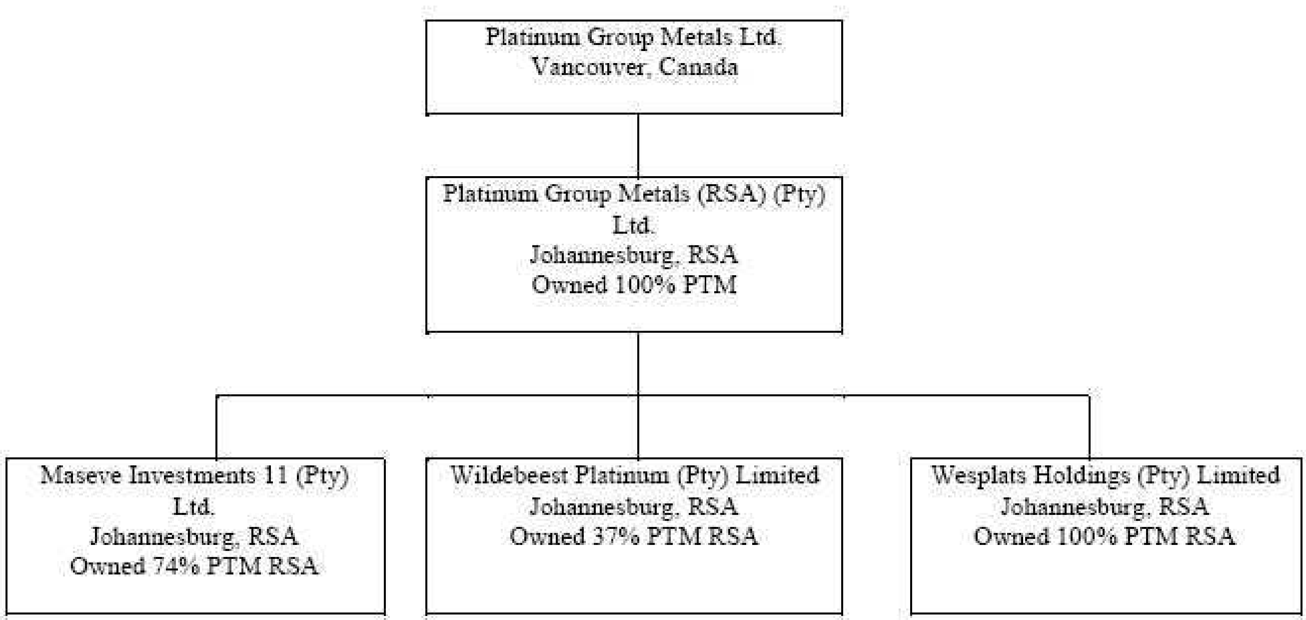
Corporate Structure

The Company is a British Columbia corporation amalgamated on February 18, 2002 pursuant to an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation. On January 25, 2005, the Company was transitioned 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 (“Common Shares”) to an unlimited number of common shares without par value, to remove the Pre-existing Company Provisions and to adopt new articles.

The Company’s 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 AND ITS PRINCIPAL SUBSIDIARIES



The Company has two wholly-owned subsidiaries, one majority-owned subsidiary and a 37% holding in a fourth company, all of which are incorporated under the company laws of The Republic of South Africa. The Company also has a 100% owned subsidiary, Platinum Group Metals (Barbados) Ltd., incorporated under the laws of Barbados, which is currently inactive and not material to the affairs of the Company.

The Company conducts its South African exploration and development work through its wholly-owned direct subsidiary, Platinum Group Metals (RSA) (Proprietary) Limited ("PTM RSA"). PTM RSA holds the Company's interests in Project 1 and Project 3 of what was formerly the Western Bushveld Joint Venture (the "WBJV") through its majority 74% holdings in Maseve Investments 11 (Pty) Limited ("Maseve"). *See details below "Projects 1 and 3 of the Western Bushveld Complex"*

PTM RSA also holds 100% of the shares of a company named Wesplats Holding (Proprietary) Limited ("Wesplats"), a holding company set up to acquire surface rights over Project 1, and a 37% interest in Wildebeest Platinum (Pty) Limited ("Wildebeest"), a company set up to hold prospecting permits for the exploration joint venture between the Company and Sable Platinum (Pty) Ltd. ("Sable").

The registered and records offices of PTM RSA, Maseve, Wesplats and Wildebeest 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 PTM RSA is Technology House, Greenacres Office Park, Victory Park, Johannesburg 2193, Gauteng Province, South Africa.

General Development of the Business

Since its formation in 2002, the Company has been engaged in the acquisition, exploration and development of Platinum properties with interests in the western and northern limbs of the Bushveld Complex in South Africa and in Ontario, Canada. Currently, the Company's primary focus is bringing its Project 1 Platinum Mine located in the Western Bushveld Complex of South Africa into production.

Three Year History

The following is a timeline summarizing the Company's activities over the last three years:

May 2008	The Company purchased surface rights adjacent to the east of the Project 1 deposit area measuring 216.27 hectares.	Page 19
May 2008	The Company purchased additional surface rights directly over a portion of the Project 1 deposit area measuring 358.79 hectares.	Page 19
July 2008	The Company published a Feasibility Study and revised resource estimation for the Project 1 area of the WBJV.	Page 35
September 2008	The Company announced that the parties of the WBJV entered into an agreement, subject to formal documentation and conditions precedent, to consolidate and rationalize the ownership of the mineral rights held by the WBJV.	Page 13
December 2008	On December 9, 2008, the Company announced the execution of definitive agreements (the "Consolidation Agreements") by Anglo Platinum Limited ("Anglo") and Wesizwe Platinum Limited ("Wesizwe") to consolidate and rationalize the ownership of the mineral rights held by the WBJV (the "Consolidation Transaction"). The Consolidation Agreements were completed on April 22, 2010.	Page 13
March 2009	The Company entered into an option agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") whereby JOGMEC may earn 35% (one-half of the Company's interest) of the War Springs Project.	Page 38
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.	Page 38
October 2009	The Company entered into an agreement with JOGMEC and empowerment company Mnombo Wethu Consultants CC ("Mnombo") whereby JOGMEC may earn up to a 37% interest in the Waterberg project and Mnombo may earn a 26% interest.	Page 39
October 2009	The Company published the Updated Feasibility Study and revised resource estimate for the Project 1 area of the WBJV.	Page 32
April 2010	The Company paid an equalization amount due to Anglo of R 186.28 million (approximately $24.83 million at the time), including interest charges, as required under the terms of the original WBJV Agreement.	Page 13
April 2010	On April 22, 2010, the Consolidation Transaction was completed and the WBJV was dissolved. The mineral rights underlying Project 1 and 3 were transferred into project operating company, Maseve. Wesizwe received a 45.25% initial interest in Maseve in exchange for the mineral rights it transferred to Maseve and the Company owned the remaining 54.75%. Under the terms of the Consolidation Agreements, the Company acquired the right to subscribe for a further 19.25% interest in Maseve (the "Maseve Subscription Right"). Company exercised the Maseve Subscription Right in January 2011. See "Acquisition and Reorganization – Project 1 and 3".	Page 13
August 2010	The Company purchased surface rights covering 1,713 hectares overlaying the area of Project 1 for R 130.0 million (approximately $18.80 million).	Page 19
October 2010	The Company raised gross proceeds of $143.81 million on the issue of 70.15 million shares. The net proceeds were approximately $135.6 million after deducting the underwriters' fee of $7.91 million and expenses of the offering of $0.3 million.	Page 10

December 2010	The Company appointed DRA Mining Pty Ltd. (“DRA”) as Engineering, Procurement, Construction and Management (“EPCM”) contractor for surface infrastructure and underground development at Project 1.	Page 14
January 2011	On January 14, 2011, the Company exercised its Maseve Subscription Right and acquired a further 19.25% interest in Maseve for subscriptions in the amount of approximately $59 million (R 408.81 million), thereby increasing its shareholding to 74%.	Page 13
February 2011	The Company acquired a right to earn up to a 75% interest (the “Bark Lake Option”) in Benton Resources Corp’s ("Benton"), Bark Lake platinum-palladium project, comprised of 19 mineral claims located west of Thunder Bay, Ontario. The Company stakes additional claims near Thunder Bay and commences exploration programs and drilling in the region.	Page 39
March 2011	The Company received a positive record of decision from the Department of Mineral Resources of the Government of South Africa (“DMR”) for the detailed underground development plans and environmental management program, including the taking of a bulk sample.	Page 14
May 2011	The Company commenced the Phase 1 civil construction work at Project 1 (“Phase 1.”)	Page 14
July 2011	The Company awarded the contract to develop the Phase 1 underground decline tunnels at Project 1 to JIC Mining Services (“JIC”) of Johannesburg, South Africa.	Page 14
August 2011	The Company acquired 100% ownership in the Providence Lake Nickel (Ni)-Copper (Cu)-Platinum Group Elements (PGE) property located in the Northwest territories, Canada.	Page 39
August 2011	The Company entered into a mandate letter with Barclays Capital, the investment banking division of Barclays Bank PLC (together with its affiliate Absa Capital, the corporate & investment banking division of Absa Bank Limited), The Standard Bank of South Africa Limited, West LB AG and Caterpillar Financial SARL for a US $260 million project finance loan to develop the Project 1 Platinum Mine. The proposal has preliminary credit committee approval from each of the proposed lenders, but is subject to certain legal and technical due diligence, final credit approval and execution of a formal loan agreement. Completion of due diligence and the documentation is currently in process.	Page 10

Description of the Company’s Business

General

The Company’s business is conducted primarily in South Africa, and to a lesser extent, in Ontario and the Northwest Territories in Canada. The Company’s flagship, Project 1, in the Western Bushveld Complex of South Africa, is currently in development. The proceeds from the October 2010 Financing were utilized to execute the initial Phase 1 development and bulk sample program, including beginning to sink twin declines into the central part of the Project 1 deposit. Phase 1 is budgeted at USD $100 million. The Company is in the process of obtaining further financing to continue the development of Project 1. Phase 1 is approximately 55% to 60% complete with estimated completion by late calendar 2012. Subject to the grant of a final mining right from the Government of South Africa, once funding from both debt and equity sources is complete, the Company plans to commence Phase 2, including an additional southern decline access to the deposit and a milling, concentrating and tailings facility. Plant and facility construction and commissioning are estimated to take two years to complete. First production is currently projected to occur in late mid-2014. Full commercial production is estimated to occur after a two to three year ramp up period subsequent to the commissioning of the plant.

The Company also holds interests in various 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 projects may be found in the "Mineral Property Interests" section below and in Note 6 of the Financial Statements.

To conduct its exploration and development, the Company is dependent on sub-contractors for certain construction, engineering, geological services, drilling equipment and supplies. These are generally available but vary in price and immediacy of availability subject to demand. For recent development regarding key personnel and contractors for Project 1 see " *Recent Development – Project 1* "

At present the Company has no debt other than trade payables in the normal course. The Company holds its cash at a major Canadian chartered bank, a major London Bank or with a major South African bank in current accounts and interest bearing deposits. The Company currently owns no marketable securities.

Recent Financing

In October 2010, the Company raised gross proceeds of $143.81 million on the issue of 70.15 million shares on a bought deal basis. The net proceeds received by the Company from the offering were approximately $135.6 million (determined after deducting the underwriters' fee of $7.91 million and estimated expenses of the offering of $300,000). The Company's 2009 Updated Feasibility Study estimates the total capital cost to build the Project 1 Platinum Mine at US$443 million (at 8.0 Rand to the USD). The net proceeds of the offering allowed the Company to initiate development, but further financing will be required to complete the project, likely from a combination of debt financing and the issuance of additional equity.

The Company entered into a mandate letter with Barclays Capital, the investment banking division of Barclays Bank PLC (together with its affiliate Absa Capital, the corporate & investment banking division of Absa Bank Limited), The Standard Bank of South Africa Limited, West LB AG and Caterpillar Financial SARL for a US $260 million project finance loan to develop the Project 1 Platinum Mine. The proposal has preliminary credit committee approval from each of the proposed lenders, but is subject to certain legal and technical due diligence, final credit approval and execution of a formal loan agreement. Completion of due diligence and the documentation is currently in process. Draw down on the facility would be subject to certain conditions, including the completion of a concentrate off take agreement and the grant of a final mining authorization for Project 1 by the DMR. Based on the current timelines to completion of documentation, hedging facilities, off take agreements, updated implementation engineering and the grant of a final mining right, the Company now anticipates that completion of formal loan arrangements will occur in Q1 and Q2 of calendar 2012.

Platinum and Palladium Trends

- The platinum market was close to balance in 2010, with a surplus of just 20,000 oz. Supplies remained almost flat at 6.06 million ounces, while gross demand increased by 16% to 7.88 million ounces. Recycling of platinum increased by almost a third to 1.84 million ounces.

- Gross demand for platinum in autocatalysts increased by 43% to 3.13 million ounces in 2010 as the global automotive sector bounced back from a poor 2009. Increased vehicle production in Europe in particular benefited platinum.

- Gross industrial demand for platinum increased by 48% to 1.69 million ounces in 2010, led by growth in the glass and chemical sectors.

- Gross demand for platinum from the jewelry sector fell by 14% to 2.42 million ounces in 2010 mainly due to softer Chinese demand. Purchasing of platinum by the jewelry industry in other regions remained fairly stable.

- Identifiable physical investment demand for platinum remained almost flat in 2010 at 650,000 oz.

- The palladium market was in a fundamental deficit of 490,000 oz in 2010. Supplies of palladium increased by a modest 3% to 7.29 million ounces. Gross demand increased by 23% to 9.63 million ounces, its highest ever level. Recycling of palladium increased by 29% to 1.85 million ounces.

- A strongly performing automotive sector in all regions pushed up gross demand for palladium in autocatalysts by 35% to 5.45 million ounces in 2010.

- Gross industrial demand for palladium increased by 70,000 oz in 2010 to 2.47 million ounces. Gross palladium demand in the jewelry sector softened by 20% in 2010 to 620,000 oz.

- Net identifiable physical investment demand for palladium increased by a remarkable 74% in 2010 due to strong demand for various palladium exchange traded funds (ETFs).

Employees

As at August 31, 2011, the Company's complement of staff, consultants and casual workers in both Canada and South Africa consists of approximately 30 individuals. A further six people have been appointed as the owner's team for the Project 1 Platinum Mine in South Africa. EPCM provider, DRA has assigned approximately 30 people to the project. Civil and underground mining contractors currently have approximately 300 people working on site at Project 1. Of these 300 people more than 30% are people from the local community surrounding Project 1.

Specialized Skills and Knowledge

Due to the specialized skills and knowledge required for a company in the development phase and moving into the production phase, the Company has contracted the services of Requisite Business Solutions ("RBS"), an experienced and professional Human Resources Company, to provide services to both the site and office for Project 1. These services include human resources, organization design and human resource planning services. For recent development regarding key personnel and contractors for Project 1 see " *Recent Development – Project 1* ".

Competition

The global platinum group metals ("PGM") mining industry is characterised by long term rising demand from global automotive and fabrication sectors on one hand and constrained supply sources on the other. South Africa's PGM mining sector is the largest and fastest growing sector in the South African mining industry, representing approximately 80% of global supply. Almost all of the South African platinum supply comes from the geographic constraints of the Western and Eastern Limbs of the Bushveld Igneous Complex, resulting in a high degree of competition for mineral rights and projects. Notwithstanding its geographic superiority, the South African sector remains beholden to economic developments in the global automotive industry which accounts for approximately 50% of the total global demand for platinum. A prolonged downturn in global automobile and light truck sales, resulting in depressed platinum prices, often results in declining production as unprofitable mines are shut down. Alternatively, strong automobile and light truck sales combined with strong fabrication demand for platinum, most often results in a more robust industry, creating competition for resources, including funding, labour, technical experts, power, water, materials and equipment. The South African industry is dominated by three or four producers, who also control smelting and refining facilities. As a result there is general competition for access to these facilities on a contract basis. As the Company moves towards production from its Project 1 it will become exposed to many of the risks of competition as outlined herein and as set out below. *See further discussion in "Risk Factors" below.*

Environmental Compliance

The Company's current and future exploration and development activities, as well as future mining and processing operations, if warranted, are subject to various federal, state and local laws and regulations in the countries in which the Company conducts its activities. These laws and regulations govern the protection of the environment, prospecting, development, production, taxes, labour standards, occupational health, mine safety, toxic substances and other matters. Company management expects to be able to comply with those laws and does not believe that compliance will have a material adverse effect on the Company's competitive position. The Company intends to obtain all licenses and permits required by all applicable regulatory agencies in connection with our mining operations and exploration activities. The Company intends to maintain standards of compliance consistent with contemporary industry practice.

Foreign Operations

The Company conducts the majority of its business in South Africa. South Africa has a large and well-developed mining industry, particularly in the area where the Project 1 is located. This, among other factors, means the infrastructure in the area is well established, with well-maintained roads and highways as well as electricity distribution networks, water supply and telephone systems. There is also excellent access to materials and skilled labour in the region, due to the existence of many platinum and chrome mines in the immediate vicinity. Smelter complexes and refining facilities are also located in the area. South Africa has a well-established government, police force and judiciary as well as financial, health care and social institutions. The system of mineral tenure was overhauled by new legislation in 2002. Since the fall of Apartheid and the free elections of 1994, South Africa is considered an emerging democracy. For a discussion of risks associated with operating in South Africa, please see *"Risk Factors"* below.

Mineral Property Interests

Under Canadian GAAP, 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.

Projects 1 and 3 of the Western Bushveld Complex

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

1. Technical report dated August 31, 2010 entitled "Technical Report on Project 3 Resource Cut Estimation of the Western Bushveld Joint Venture (WBJV) Located on the Western Limb of the Bushveld Igneous Complex, South Africa" (the "Project 3 Report"), filed on SEDAR October 5, 2010;

2. Technical report dated November 20, 2009 entitled "Updated Technical Report (Updated Feasibility Study) Western Bushveld Joint Venture (Elandsfontein and Frischgewaagd)" (the "Updated Feasibility Study"), filed on SEDAR November 25, 2009;

3. Technical report dated November 20, 2009 entitled "An Independent Technical Report on Project Areas 1 and 1A of the Western Bushveld Joint Venture (WBJV) Located on the Western Limb of the Bushveld Igneous Complex, South Africa (the "Project 1 Report") filed on SEDAR November 24, 2009;

Acquisition and Reorganization– Project 1 and 3

On October 26, 2004, the Company entered into a joint venture agreement (the "WBJV Agreement") forming the WBJV with Anglo 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 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; 26% by Africa Wide (which was acquired in 2007 by Johannesburg Stock Exchange listed Black Economic Empowerment company, Wesizwe Platinum (Pty) Ltd. ("Wesizwe")); and 37% by PTM RSA. PTM -RSA was the operator of the joint venture.

Under the terms of the original WBJV Agreement, upon a decision to mine, the respective deemed capital contribution of each party would be credited a dollar amount, based on their contribution of measured, indicated and inferred PGM ounces from the contributed properties comprising the WBJV. The ounces contributed would be determined based upon, and at the time of, the first bankable feasibility study for the WBJV, in accordance with the South African SAMREC Code and agreed amongst the parties on a "Determination Date" as defined in the WBJV agreement.

On September 2, 2008, the Company announced that the parties to the WBJV had agreed to terms with respect to the Consolidation Transaction and on December 9, 2008, the Company announced it had executed the definitive Consolidation agreements in this regard.

On April 22, 2010, the Company paid an equalization amount due to Anglo of R 186.28 million (approximately $24.83 million at the time), including interest charges, as required under the terms of the original WBJV Agreement.

On April 22, 2010, the Consolidation Transaction was completed and the WBJV was dissolved. The parties had agreed that upon dissolution the equalization due under the original WBJV Agreement would be paid and settled between the parties. At the moment of dissolution, Wesizwe acquired all of Anglo's rights and interests to the mineral rights underlying the WBJV, retained Anglo's mineral rights to Project 2, and transferred all of Anglo's mineral rights underlying Projects 1 and 3 into project operating company, Maseve. The Company also transferred its mineral rights underlying Project 1 into Maseve, the result being that Wesizwe retained 100% of Project 2 and Maseve obtained 100% of Projects 1 and 3. The combined area covered by the mineral rights for Projects 1 and 3 held through Maseve, comprises approximately 53 square kilometres.

Although the Company did not hold any of the mineral rights comprising Project 2, the Company had an 18.5% interest in Project 2 through the WBJV. In exchange for rescinding its 18.5% of Project 2, the Company effectively received a 17.75% interest in Maseve. For accounting purposes under Canadian GAAP, this was treated as a deemed sale of 18.5% of Project 2 and was valued at estimated fair market value of $65.42 million, resulting in an accounting gain of $45.62 million. For accounting purposes, the Company has also accrued a deferred income tax liability of $22.5 million in relation to the deemed sale. This is a non-cash accrual for accounting purposes only, as the Company and its advisors have determined the deemed transaction is not a taxable event under the Income Tax Act of South Africa.

The Company also received a 37% interest in Maseve in exchange for its share of Projects 1 and 3, bringing its holdings in Maseve to 54.75% . This part of the transaction was treated as a transfer of a business interest between controlled entities and was transferred at cost for accounting purposes. Wesizwe received a 45.25% initial interest in Maseve in exchange for the mineral rights it transferred to Maseve.

Under the terms of the Consolidation Agreements, the Company acquired the Maseve Subscription Right entitling it to subscribe for a further 19.25% interest in Maseve, from treasury, in exchange for a subscription amount of R 408.81 million. This right had to be exercised and funded within 270 days of the closing of the Consolidation Transaction, which occurred on April 22, 2010. This subscription would take the Company's interest in Maseve to 74%.

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

On January 14, 2011, the Company exercised the Maseve Subscription Right in the amount of approximately. $59 million (R 408.81 million), thereby increasing its shareholding in Maseve to 74%. The subscription funds are held in escrow for application towards Wesizwe's 26% share of expenditures for Projects 1 and 3 (the "Escrowed Maseve Funds.")

Recent Developments – Project 1

Upon completion of the October 2010 Financing, the Company approved and initiated the Phase 1 development and bulk sample program for the sinking of a twin decline into the central part of the Project 1 deposit. The Phase 1 program was budgeted at approximately $100 million, of which the Company will contribute $74 million and $26 million will be drawn down from the escrowed Maseve Funds held for Wesizwe's share of costs. On November 21, 2011, the Company held remaining cash on hand, including earned interest, in escrow for Wesizwe of approximately R 259 million ($32.5 million).

In October 2010, the Company appointed Mr. Thys Uys, a Professional Engineer with more than 21 years of management experience in project feasibility and implementation in South Africa, as the Company's representative and project manager for development of Project 1. An owner's team consisting of people who have previously worked with Mr. Uys on large scale mining construction projects has also been appointed, including a dedicated quantity surveyor for cost engineering services, contract and capital control administrators and a permitting consultant responsible for the Company's Environmental Impact Assessment and Management Plan.

In December 2010, the Company appointed DRA as EPCM contractor for surface infrastructure and underground development. DRA has assigned approximately 30 full time professionals to oversee and plan the execution of the development of surface infrastructure, power delivery, water delivery, civil works and excavations and the development of underground tunnels to access ore during Phase 1 construction. DRA's scope of work includes engineering, design, construction management, administration and cost and schedule control.

In late March 2011, the Company received a positive record of decision from the DMR for its detailed underground development plans and environmental management program, including the taking of a bulk sample. The consent of the DMR requires compliance with underlying regulations related to health, safety and environment. The final mining right application and social and labour program for Project 1 was filed in April 2011 and was later accepted for processing by the DMR. Application in terms of the National Environmental Management Act (NEMA) was also accepted by the DMR. An update to the public participation process, including project publication, placement of notices and public meetings with local government and interested and affected parties is underway.

During February, March and April 2011, the Company conducted approximately 16,850 metres of infill drilling on the near surface portions of the Project 1 platinum deposit in order to gain more detailed information for metallurgical, geotechnical, mine planning and scheduling purposes. As a result of this work, refinements to the scheduled mining during the first three or four years of the planned Project 1 mine life of both UG2 and Merensky Reef tonnage, are currently being modeled and implemented. New geo-statistical information and ongoing mine design parameters resulting from recent infill borehole data, combined with the modified modeling, mine construction steps and scheduling being completed at the time of writing, could result in changes to the reported reserves and resources for Project 1. During the execution of the development plan, changes to the estimated capital cost for the development of the Project 1 Platinum Mine may occur.

Civil construction for Phase 1 began in May 2011, with the mobilization of civil contractor Wilson Bailey Holmes ("WBH"), who is responsible for major surface infrastructure excavation and construction. An expenditure for civil construction of R 23.62 million (approximately $3.3 million) has been incurred to August 31, 2011 from a commitment of R35.6 million (approximately $5.09 million). The box cut excavation was completed in mid-September. WBH executed the first undercut blasts to commence underground development in October. WBH remains on site and is currently working to complete surface infrastructure.

In July 2011, the Company awarded JIC the contract to develop the twin 1,200 meter underground decline tunnels into the center of the Project 1 platinum deposit. JIC took over underground development from WBH in mid-October. JIC is operating as one of the underground mining contractors at the producing Bafokeng Rasimone Platinum Mine immediately adjacent to the Project 1 and currently operates as underground mining contractor on another six platinum mines and one chrome mine in South Africa, employing 7,200 people. JIC has a good safety record and has invested in an accredited training facility near to Project 1. Total primary underground development cost for Phase 1 based on the JIC contract is estimated at R 206.85 million (approximately $28.90 million on August 31, 2011), resulting in an estimated cost per unit for underground development below the estimate in the Updated Feasibility Study. An initial pre-payment of R 25.0 million (approximately $3.55 million on July 11, 2011) was released to JIC after JIC provided an appropriate form of performance guarantee. A further retention amount of R 20.69 million ($2.94 million on July 11, 2011) was released to JIC approximately ten days later. JIC will be paid according to progress invoicing as work is completed over approximately seventeen months. Phase 1 is currently about 55% to 60% complete, is on budget, with approximately $52.0 million incurred to date, and within approximately 10 to 12 weeks of being on time.

Ancillary servicing for the site including, buildings, piping, cabling, fencing and security have been initiated for a commitment of approximately R14.4 million (approximately $2.06 million.) A temporary power supply of 1.5MVa has been installed on site and has been energized. A 10 MVa supply line is slated for completion and connection in 2012. Permanent power service for the remaining 30 MVa is being designed and engineered by Eskom to be supplied in 2013. The Company has paid Eskom R 51.71 million ($7.22 million at August 31, 2011) of an R 142.22 million (approximately $20.32 million) commitment for delivery of power.

The company has entered into an agreement with regional water supplier, Magalies, for a temporary 0.5 ML/day water supply and have expended R 2.0 million (approximately $0.29 million). The construction of this supply is complete. The agreement for permanent water supply of 6 ML/day is being finalized and service is slated to be provided by 2013.

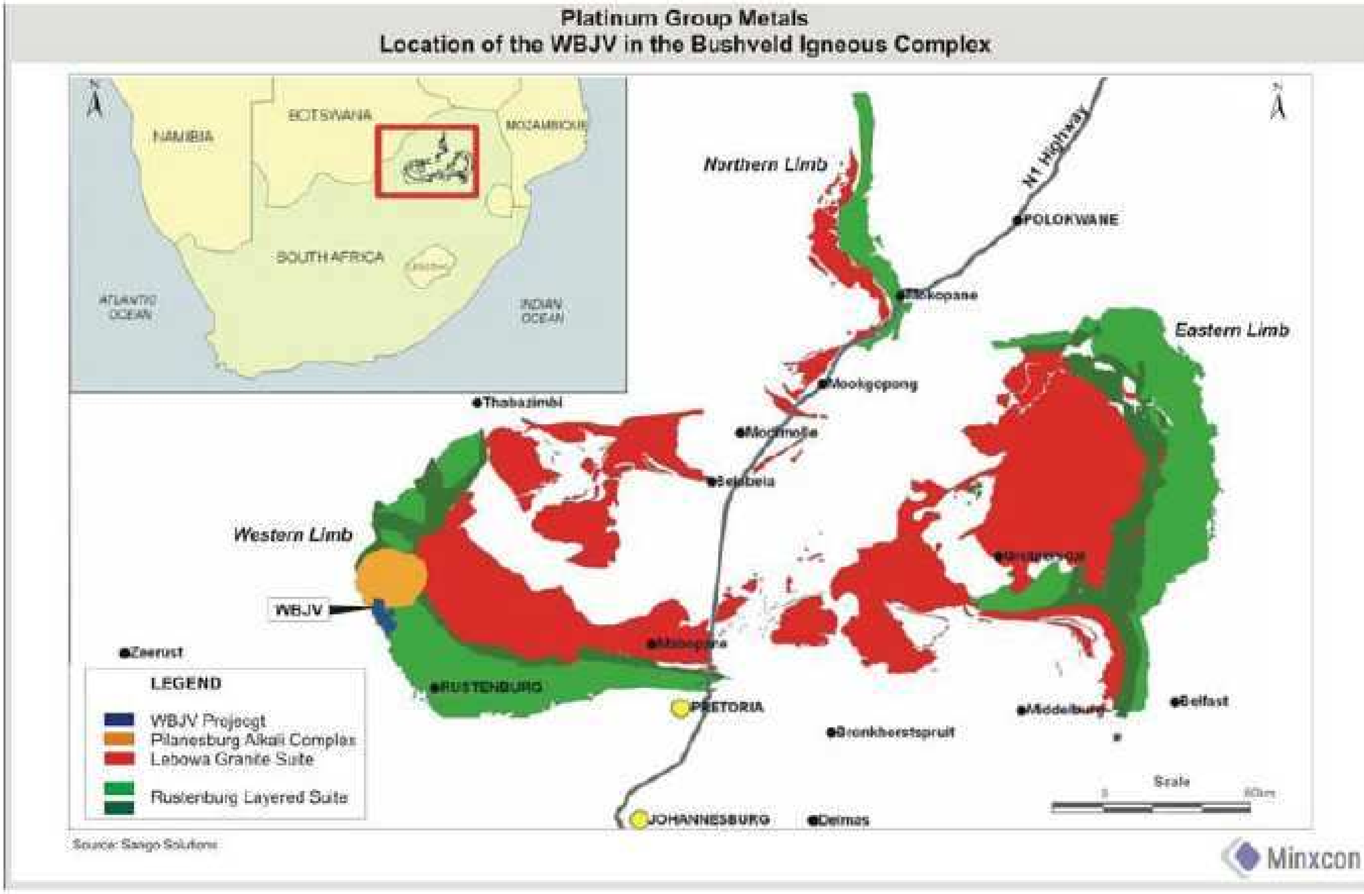
The Company has purchased an owner-controlled "Wrap-Around Liability" insurance policy covering contractors and sub-contractors on the Project 1 work site for the duration of all construction phases until plant completion and commercial production. The Wrap-Around policy provides coverage for up to USD $25.0 million of liability per incident, subject to industry standard terms, conditions and deductibles. The Company has also purchased "Course of Construction" insurance for Project 1 to cover up to R 630 million in property value in the event of loss or damage during all construction phases, once again subject to industry standard terms, conditions and deductibles. The estimated cost for approximately three years of coverage for the above two policies is approximately $440,000. Additional insurance will still be required once Phase 2 construction commences and for mine operation. During 2011, the Company completed a comprehensive risk assessment for Project 1 with the assistance of an international insurance broking firm.

The Company has contracted the services of an experienced and professional HR company, RBS, to provide site and office human resources, organization design and planning services to Project 1. RBS specializes in the mining industry, and their team of Professional Engineers, Psychologists and Practitioners has an intimate understanding of organization design & development, including knowledge of the applied legislation, mining techniques and associated labour practices. RBS has assisted the Company to complete a Local Skills Assessment in six communities to help identify candidates for leadership and staff positions as per the Company's Social and Labour Plan and Human Resources Development obligations. Community members have already been hired and more are currently undergoing medicals, training and induction.

Project Description and Location

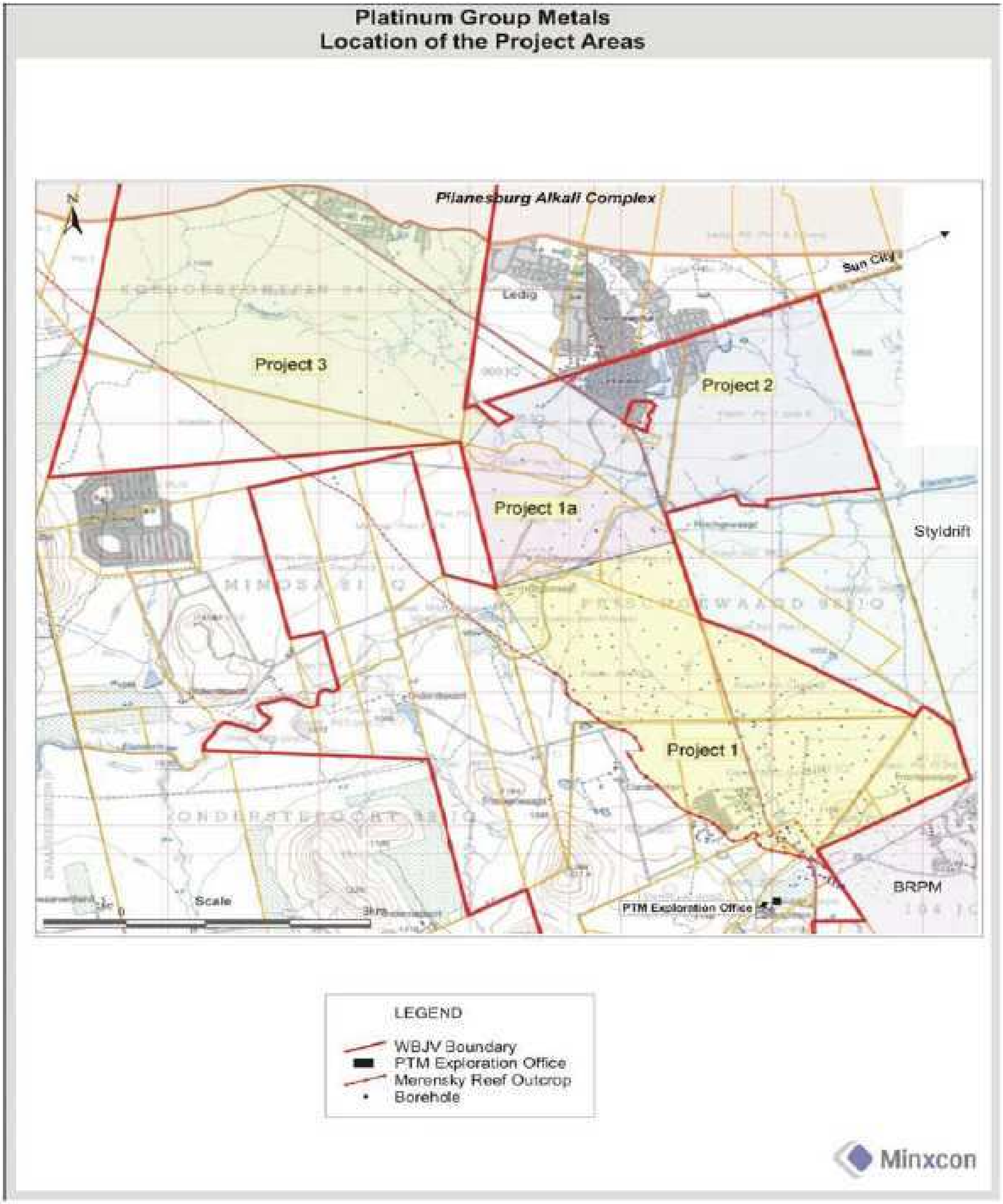
The approximately 53 square kilometres of mineral rights comprising Projects 1 and 3 are owned 100% by project operating company Maseve. PTM RSA owns 74% of Maseve while Wesizwe owns the remaining 26%. Maseve is operated by PTM RSA in accordance with the terms of a shareholders' agreement (the "Maseve Shareholder's Agreement.") The property is divided into two distinct project areas, namely Projects 1 and 3. Project "1A" as discussed below is simply a subdivision of Project 1.

Projects 1 and 3 are 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 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 originally 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 now cover approximately 53km ^{2} or 5,300ha.

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 Project Area 1 and 1A are located approximately 1km to 6km 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 property boundary.

The potential economic horizons in 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 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 modeled. 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 ore body 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). To the time of the Updated Feasibility Study in October 2009, a total of 32,020 samples had been assayed and utilised in the estimation of the Mineral Resources over the Project Area.

Licences

The Consolidation Transaction was subject to ministerial approval of the cession of various prospecting rights in accordance with the provisions of section 11 South Africa's Mineral and Petroleum Resources Development Act 2002 ("MPRDA"). The required cession of the prospecting rights was duly approved by the Minister of Mineral Resources on April 22, 2010. The result of the ministerial approval of the cessions was that the prospecting rights would be grouped into 3 projects referred as Project 1, Project 2 and Project 3. The prospecting rights in respect of Project 2 were ceded to Bakubung Minerals (Proprietary) Limited, a subsidiary of Wesizwe. The prospecting rights in respect of Project 1 and Project 3 were ceded to Maseve.

As a result of the transaction Maseve now holds 9 separate new order prospecting rights which are recorded below as follows:

1. Elandsfontein 102 JQ - DMR 18 PR - Portion 12, Remaining Extent of Portion 1 and Remaining Extent of Portion 14.
2. Elandsfontein 102 JQ– DMR 1274 PR – Portions 8 and 9
3. Onderstepoort 98 JQ - DMR 1327 PR – Portions 4, 5 and 6
4. Onderstepoort 98 JQ - DMR 1328 PR –Portions 3 and 8.
5. Onderstepoort 98 JQ - DMR 19 PR - Portions 14 and 15
6. Onderstepoort 98 JQ - DMR 558 PR - Portions Portion 9 –Mineral Area 1 Ruston 97 JQ (Now Mimosa 81) and Mineral Area 2 Ruston 97 (Now Mimosa 81)
7. Frischgewaagd 98 JQ - DMR 1109 PR- Remaining Extent-Remaining Extent of Portion 2-Remaining Extent of Portion 6,Portions 7,8,13,15,16 and 18. Remaining Extent of Portion 2 (Former Mineral Area 2)
8. Koedoesfontein 94 JQ - DMR 1264 PR - Portion of the farm Koedoesfontein.
9. Koedoesfontein 94 JQ - DMR 1682 PR - Portion of the farm Koedoesfontein.

The prospecting rights for PGMs, nickel, chrome and gold are all current and are held in the Regional Office of the Department of Mineral Resources in Klerksdorp, North West Province. Licence specifications for these prospecting permits may be found in the technical reports filed on SEDAR as detailed above under the heading "Project 1 and 3 of the Western Bushveld Complex". Under the MPRDA, the holders of valid new order prospecting permits have the exclusive right to apply for transition of such prospecting rights into mining rights.

Rights to Surface and Minerals

The Company has acquired all surface rights it believes will be necessary to execute construction and operation of the Project 1 Platinum Mine. These surface rights are intended for purposes of tailings placements, surface infrastructure, location of shaft infrastructure, mill facilities, concentrator facilities and waste sites. Details of acquisition follow below:

PTM RSA acquired an option to purchase 100% of the surface and mineral rights to portions of 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. One half of this cost was applied to the surface rights and the other half was applied to the mineral rights. The acquired mineral rights were contributed to the WBJV under the terms of the original WBJV Agreement and were later transferred to Maseve under the Consolidation Transaction. The acquired mineral surface rights remain the property of the Company, after payment to Wesizwe for their share in accordance with the Consolidation Transaction.

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. PTM RSA contributed its interests in these properties to the WBJV.

The remainder of the WBJV mineral properties, being certain portions of Elandsfontein 102JQ, Onderstepoort 98JQ, Frischgewaagd 96JQ, Mimosa 81JQ and Koedoesfontein 94JQ, were contributed to the original WBJV by Anglo.

During the year ended August 31, 2008, the Company purchased surface rights adjacent to the Project 1 deposit area measuring 216.27 hectares for R 8.0 million (approximately $1.09 million) and also purchased surface rights directly over a portion of the Project 1 deposit area measuring 358.79 hectares for R 15.07 million (approximately $2.07 million). The surface rights to these two properties are held to the benefit of the Company or its subsidiaries only.

On August 12, 2010, the Company acquired the right to purchase the Sundown Ranch surface rights covering 1,713 hectares, including accommodation facilities and overlaying the area of the planned Project 1 Platinum Mine for R 130.0 million (approximately $18.57 million at the time). A deposit of R 13.0 million (approximately $1.85 million at the time) was paid to the vendor on August 26, 2010. The purchase price balance of R 117.0 million was paid in January 2011 (approximately $17.03 million at that time). Title was subsequently transferred into Maseve at the Company’s direction. The Company received credit for the purchase price against its share of ongoing project costs. All business and operation of the hotel and recreation facilities at the Sundown Ranch have been contracted to a former manager of the property in exchange for a monthly rental fee and a small revenue participation amount payable to Maseve.

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 and secondly, the Northern Limb (“Platreef”), which extends for over 120km in the area north of Mokopane.

The platinum and palladium bearing reefs of the BIC 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 in the area has shown that both economic reefs (Merensky and UG2) are present and economically exploitable on the Western Bushveld 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 dip on 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 known environmental issues relating to the Company's or Maseve's properties.

Mining and exploration companies in South Africa operate with respect to environmental management principles and environmental management programmes more fully set out in section 39 of the MPRDA and the regulations published in respect thereof.

In addition to the environmental requirements of the MPRDA, the principles as set out in section 2 of the Environmental Management Act 1998 apply to all prospecting and mining operations, as the case may be, and any matter relating to such operation.

In terms of the environmental regulations to the MPRDA, the Company and Maseve as the holders of prospecting rights must:

- As part of the general terms and conditions for a prospecting right and in order to ensure compliance with the Environmental Management Programme or Environmental Management Plan and to assess the continued appropriateness and adequacy of the Environmental Management Programme and the Environmental Management Plan, the holder of a prospecting right must;

    - Conduct monitoring on a continuous basis.

    - Conduct the performance assessments of the Environmental Management Plan or Environmental Programme as required.

    - Compile and submit a performance assessment report to the Minister in which compliance is demonstrated.

Regular site inspections are conducted on the Company's and Maseve's prospecting activities and the aim of these site inspections are:

- To determine the compliance with all legislation pertaining to the environment.
- Advice on environmental management measures to be undertaken during the prospecting phase.
- Site rehabilitation monitoring.

In August 2010, independent compliance inspections were conducted over each prospecting site of the Company and Maseve.

The purpose of an Environmental Compliance Report is to indicate the state of the prospecting when measured against the commitments of the Environmental Management Plan. This Environmental Compliance Report is required in terms of the environmental regulations to the MPRDA.

It was reported that all of the drilling sites and the immediate areas that were affected by prospecting had adequately complied with commitments as recorded in the Environmental Management Programmes. It was further reported that all rehabilitation of prospecting boreholes and related infrastructure was completed and that no further rehabilitation is necessary.

Independent rehabilitation certificates were issued for each borehole and are on record at the site offices.

Subsequent to the compliance inspection an Environmental Compliance Report was issued on August 31, 2010 for each of the Company and Maseve's prospecting rights and duly lodged with the respective Regional Manager's offices Mineral Development at the DMR.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

South Africa has a large and well-developed mining industry in the area where the Project 1 and 3 are 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 project area adjoins the Anglo 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. Projects 1 and 3 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, which lies directly to the east of the property, have modern access roads and services. Numerous gravel roads crossing the 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 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 is located within 60km of the property.

Topographically, the project 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. PTM RSA acquired these rights and then contributed them to the WBJV in 2004.

Elandsfontein (RPM) , *Frischgewaagd, Onderstepoort (RPM)* and *Koedoesfontein* have generally been in the hands of major mining groups resident in 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 through RPM. RPM contributed these rights into the WBJV in 2004.

Previous geological exploration and resource estimation assessments were done by Anglo as the original owner of some of the mineral rights. Anglo 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 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 Company’s properties in the Western Bushveld Complex.

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

Projects 1 and 3 are 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 project area 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 project 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 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 project 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.

Exploration

PTM RSA is the operator of Projects 1 and 3 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, but they remain under the direction of PTM RSA.

Project Area 1

Details of Reserves and Resources are reported below under “Project 1 – Mineral Resource and Mineral Reserve Estimates”.

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.

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.

Geophysical information obtained from Anglo 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 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 Project 1 and 3 areas, 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.

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

The type of drilling being conducted on Project 1 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 or to a 50m x 50m grid in some areas. The grid has been extended for 4.5km along strike to include the whole of the Project 1 and 1A area. To date, 301 boreholes have been drilled by the company on Project Area 1 and 30 boreholes have been drilled on Project 1A.

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, and altogether 27,242 filed samples have been submitted for assaying along with 2,446 standards and 2,372 blanks.

In late calendar 2010 until April 2011, a total of 67 boreholes were infill drilled on the up-dip, near surface edge of the Project 1 deposit area. These holes were drilled to obtain additional material for metallurgical testing purposes and to further assess geological structures in areas of known resources that will likely be accessed and scheduled for mining in the first four or five years of the Project 1 mine life. At the time of writing this AIF, new geo-statistical information resulting from the recent infill borehole data, combined with modified modeling, mine planning and scheduling, could result in changes to the reported reserves and resources for Project 1. During the execution of the Project 1 development plan, changes to the estimated capital cost for the development of the Project 1 Platinum Mine may also occur.

The purpose of any future drilling programs will also be to test for additional resource ounces, to upgrade known resources into higher levels of confidence and to further assess geological structures in the areas of known resources.

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 updated resource was declared for Project 3 on September 30, 2010 (See press release of same date and below).

To the date of the most recent resource update for Project 3, a total of 42 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. A total of 42,101 m has been drilled across Project 3 and altogether 10,263 samples have been submitted for assaying from that project, including 836 standards and 828 blanks.

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.

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 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 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 Projects 1 and 3 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, 301 boreholes have been drilled by the company on Project Area 1 and 30 boreholes have been drilled on Project 1A.

To the date of the last resource update for Project 3, a total of 42 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 (acommercially 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 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 27,242 filed samples have been submitted for assaying along with 2,446 standards and 2,372 blanks. A total of 42,101m has been drilled by PTM RSA across Project 3 and altogether 10,263 samples have been submitted for assaying from that project, including 836 standards and 828 blanks. Subsequent to the publication of the Updated Feasibility Study in October 2009 a further 18,339 metres in 67 boreholes has been infill drilled on Project 1 of the WBJV to the end of April, 2011.

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 modeling package (DATAMINE). Modeling 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.

Project 1 and Project 3 Mineral Resources and Reserves - (MR- Merensky Reef; UG2- Upper Group 2 Reef)

The Company provided a statement of reserves for Project 1 in the Updated Feasibility Study and an updated statement of resources for Project 1 in separate NI 43-101 technical report (the “Project 1 Report”) in October 2009. An update NI 43-101 technical report was published for Project 3 in October 2010 (the “Project 3 Report”).

Summary resource and reserve details follow in the table below. The table contains summary details from the Updated Feasibility Study and the Project 1 Report, and summary resource details from the Project 3 Report. The Company has a 74% interest in the 4E ounces attributable to Project 1 and Project 3. The prill splits and 4E estimates for Project 1 and Project 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. New geo-statistical information resulting from recent infill borehole data, combined with modified modeling, mine planning and scheduling being completed at the time of writing of this AIF, could result in changes to the reported reserves and resources for Project 1.

Current spot prices of 4E in aggregate are higher than the base case long term metal prices as set out in the Updated Feasibility Study, but are within the range (in aggregate, including exchange rates for the Merensky Reef pricing) of the sensitivity analysis contained in the Updated Feasibility Study.

The following is a statement of attributable reserves and resources for Project 1 and Project 3 based on the Project 1 Report and the Project 3 Report. Additional information regarding the resource calculation can be found in the technical reports. Reserves presented below are a sub-set of measured and indicated resources included in the Updated Feasibility Study and take into account mining factors and are not in addition to the resources. The 4E cut-off in the tables below are 300 cm.g/t for Project 1 and 100 cm.g/t for Project 3 (“cm.g/t” refers to the grade at the stipulated resource cut width (in centimetres)). Where used in the following four tables, “MR” or “Merensky” refers to Merensky Reef, and “UG2” refers to Upper Group 2 Chromitite Seam. Due to rounding, table columns may not add up. Project 1 tonnes are reported after deducting 14% for MR and 23% for the UG2 for geological losses. Project 3 tonnes are reported after deducting 14% for geological losses.

Reef	Resource Category	Tonnes (million)	Grade (4E) (g/t)	Mining width (meters)	Prill Split (4E)				Ozs (millions)(1)
					PT	Pd	Rh	Au	
Project 1 (2)									
MR	Measured	6.603	8.38	1.33	64%	27%	4%	5%	1.779
UG2	Measured	7.464	4.26	1.34	63%	26%	10%	1%	1.022
MR	Indicated	11.183	7.25	1.24	64%	27%	4%	5%	2.607
UG2	Indicated	19.209	4.46	1.39	63%	26%	10%	1%	2.754
MR	Inferred	0.154	8.96	1.06	64%	27%	4%	5%	0.044
UG2	Inferred	0.022	3.91	0.83	63%	26%	10%	1%	0.003
Project 3 (3)(4)									
MR	Indicated	5.157	6.03	1.14	64%	27%	4%	5%	0.999
UG2	Indicated	5.947	4.91	1.16	62%	28%	9%	1%	0.940
MR	Inferred	0.443	5.34	1.14	64%	27%	4%	5%	0.076

Notes:

(1) The Company has a 74% interest in these resources. New geo-statistical information resulting from recent infill borehole data, combined with implementation level modeling, mine planning and scheduling being completed at the time of writing of this AIF, could result in changes to the estimated resources for Project 1.

(2) The qualified person under NI 43-101 (“Qualified Person”) for the information in the table above respecting Project 1, derived from the Project 1 Report, is Charles Muller, who was independent of the Company as of the date of the Project 1 Report.

(3) The Qualified Person for the information in the table above with respect to Project 3, derived from the Project 3 Report, is Charles Muller, who was independent of the Company as of the date of the Project 3 Report.

(4) Subsequent to the publication of the Project 3 Report in October 2010, further analysis, scoping work and optimization of resource block perimeters has resulted in small improvements (less than 10% change) to the originally reported resource and it is these amended results that are reported herein.

Merensky Reserves Project 1 (1)		
Tonnes t	4E g/t	Content Moz 4E
Merensky Proven		
6,677,304	5.61	1.205
Merensky Probable		
11,333,294	5.44	1.983
Total Merensky Mineral Reserves		
18,010,598	5.51	3.188

Note:

(1) The Company has a 74% interest in these reserves. The Qualified Persons for the information in the above table with respect to Project 1, derived from the October 2009 Updated Feasibility Study, are Charles Muller, Gordon Cunningham and Tim Spindler, each of whom were independent of the Company as of the date of the Updated Feasibility Study. Reserves were calculated based on the resources as reported and available at the time of the Updated Feasibility Study. New geo-statistical information resulting from recent infill borehole data, combined with implementation level modeling, mine planning and scheduling could result in changes to the estimated reserves for Project 1. At the time of writing the information available indicates a variation of less than 10% of the contained ounces as previously reported. As mine implementation planning continues this may change.

UG2 Reserves Project 1 (1)		
Tonnes t	4E g/t	Content Moz 4E
UG2 Proven		
5,086,535	3.37	0.551
UG2 Probable		
8,448,801	3.41	0.927
Total UG2 Mineral Reserves		
13,535,336	3.40	1.478

Note:

(1) The Company has a 74% interest in these reserves. The Qualified Persons for the information in the above table with respect to Project 1, derived from the October 2009 Updated Feasibility Study, are Charles Muller, Gordon Cunningham and Tim Spindler, each of whom were independent of the Company as of the date of the Updated Feasibility Study. Reserves were calculated based on the resources as reported and available at the time of the Updated Feasibility Study. New geo-statistical information resulting from recent infill borehole data, combined with implementation level modeling, mine planning and scheduling being completed at the time of writing of this AIF, could result in changes to the estimated reserves for Project 1.

Listing of Individual Elements from 4E Reserve Statement							
Metal	Reef	Category	Prill Split	Tonnage	g/t	Content	
				Tonnes		Tonne	Moz
Pt	Merensky	From Proved 4E Reserve	64%	6,677,304	3.59	23.99	0.771
		From Probable 4E Reserve	64%	11,333,294	3.48	39.47	1.269
		Total	64%	18,010,598	3.52	63.46	2.040
	UG2	From Proved 4E Reserve	63%	5,086,535	2.12	10.79	0.347
		From Probable 4E Reserve	63%	8,448,801	2.15	18.16	0.584
		Total	63%	13,535,336	2.14	28.95	0.931
Pd	Merensky	From Proved 4E Reserve	27%	6,677,304	1.52	10.12	0.325
		From Probable 4E Reserve	27%	11,333,294	1.47	16.65	0.535
		Total	27%	18,010,598	1.49	26.77	0.861
	UG2	From Proved 4E Reserve	26%	5,086,535	0.88	4.45	0.143
		From Probable 4E Reserve	26%	8,448,801	0.89	7.50	0.241
		Total	26%	13,535,336	0.88	11.95	0.384
Rh	Merensky	From Proved 4E Reserve	4%	6,677,304	0.22	1.50	0.048
		From Probable 4E Reserve	4%	11,333,294	0.22	2.47	0.079
		Total	4%	18,010,598	0.22	3.97	0.128
	UG2	From Proved 4E Reserve	10%	5,086,535	0.34	1.71	0.055
		From Probable 4E Reserve	10%	8,448,801	0.34	2.88	0.093
		Total	10%	13,535,336	0.34	4.60	0.148
Au	Merensky	From Proved 4E Reserve	5%	6,677,304	0.28	1.87	0.060
		From Probable 4E Reserve	5%	11,333,294	0.27	3.08	0.099
		Total	5%	18,010,598	0.28	4.96	0.159
	UG2	From Proved 4E Reserve	1%	5,086,535	0.03	0.17	0.006
		From Probable 4E Reserve	1%	8,448,801	0.03	0.29	0.009
		Total	1%	13,535,336	0.03	0.46	0.015

The Qualified Persons for the information in the above table with respect to Project 1, derived from the Updated Feasibility Study, are Charles Muller, Gordon Cunningham and Tim Spindler, each of whom were independent of the Company as of the date of the Updated Feasibility Study and continue to be independent as of the date of this AIF.

Cautionary Note to U.S. Investors: ***The above tables use the terms "measured," "indicated," and "inferred," "reserves," and "resources." While these terms are recognized and required by Canadian regulations the SEC guidelines does not recognize them. U.S. investors are cautioned not to assume that any part of a mineral deposit in these categories will ever be converted to reserves. In addition, the terms "proven," "probable," and "reserves" as used above are given the meaning given under Canadian regulations, which differ from the standard of the SEC. See "Cautionary Note for United State Readers."***

Updated Feasibility Study

On January 10, 2007, the Company completed a positive pre-feasibility study for Project 1. During 2007, the WBJV commissioned the July 2008 Feasibility Study for Project 1, which study was published on July 7, 2008. The July 2008 Feasibility Study considered and outlined 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 July 2008 Feasibility Study's findings were positive for a platinum mine in the Project 1 area of the WBJV. The July 2008 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.

Subsequently, the Updated Feasibility Study was published containing revised resource estimation for the Project 1 area. The revised resource estimation indicated that measured and indicated resources had increased as a result of further drilling in the Project 1 and 1A areas. These increased ounces have not yet been included in the mineable reserves of the Updated Feasibility Study mine plan. 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. Resources in the Project 1 area and 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 mines. 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 is modeled to be mined at widths between 93 cm and 176 cm at an average of 115 cm 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 oz in concentrate per year. During nine years of peak production, approximately 275,000 4E oz are produced from the Merensky Reef horizon. The mine has a 22 year planned mine life. The Qualified Persons who authored the Updated Feasibility Study have recommended that the mine plan be reviewed based upon the changes to the mineral resources. This work is being carried out as part of project implementation and subsequent to recent infill drilling as described above.

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 blended feed. The Merensky Reef is the target of initial mining because of its higher 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. Further metallurgical test work has now been completed as the Company prepares for project implementation and negotiations on final off take terms. Further metallurgical work will be done in the months ahead as the Company looks at the effects on concentrate of early mining and blending of UG2 ore.

The mine infrastructure in the estimates includes the entire required surface infrastructure for a standalone mine including water, power, underground access and ventilation to establish full production. At the time of writing the Company is in discussions with local water utility Magaliesberg Water to finalize the delivery of a six megalitre allocation for permanent water supply as a part of a regional development plan. A temporary water supply for use during construction has already been installed and is functional. During 2010 the Company paid the South African power utility Company ESKOM deposits against their work to design infrastructure for the delivery of construction power and commercial production power to the property.

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 relevant Qualified Person for the Updated Feasibility Study believes the deductions used in the Updated Feasibility Study financial model are indicative of deductions current in this industry. The party to who concentrate will be sold and the terms of this potential sale are yet to be determined. Anglo has a 60 day right of first refusal to purchase all of the ore or concentrate produced by Projects 1 and 3 on terms no less favourable to the Company than those it may secure with another commercial off taker. Estimated deductions in the Updated Feasibility Study include penalties and shipment charges and total approximately 15% from gross concentrate sales revenue.

Discussions are currently underway with all commercial smelter/refiners of PGE's in South Africa in order to secure an off-take agreement. The Company now estimates that the completion of off take arrangements, including Anglo's 60 day right of first refusal, will be completed by Q2 of calendar 2012.

Financial Details

The Base Case for the Updated Feasibility Study was modeled using 3 year trailing metal prices at September 2009, including US$1,343 per ounce platinum, an exchange rate of 8 Rand to the US Dollar and a 10% discount rate, resulting in a pre-tax net present value of US $475 million for the project on a 100% of project basis. Applying a 5% discount rate resulted in a pre-tax net present value of US $981 million on a 100% of project basis. The UFS model does not include escalation of costs or metal prices due to inflation. The Base Case also calculated a strong Internal Rate of Return "IRR" (pretax) of 23.54% .

Average life-of-mine cash operating costs to produce concentrate is now estimated at R525 per tonne (approximately US$65.63) of ore or R4,208 (approximately 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 primarily as a result 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 nine 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 estimated at 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 was reduced from that in the July 2008 Feasibility Study by US$89 million as a result of changes in design to use mostly grid power rather than self-generated power and improvements in mine design.

A portion of the proceeds of the October 2010 Financing were used to initiate a Phase 1 development and bulk sample program, budgeted at USD $100 million, to begin sinking twin declines into the central part of the Project 1 deposit. Phase 1 funds are also being used to commence surface and earth works, including pads, lay down areas, a box cut, decline access and limited level development. Such work included detailed implementation preparations, including working with the key potential contractors and suppliers of water and power. Further financing will be required to complete the project, likely from a combination of debt financing and the issuance of additional equity.

Phase 1 is approximately 55% to 60% complete with estimated completion by late calendar 2012. At present Phase 1 is on budget and is approximately 10 to 12 weeks behind original schedule. Delays have occurred as a result of the time taken to achieve Phase 1 permits, contractor performance, scheduling of duties and handover between civil and underground contractors, job action in September and October by the National Union of Mine Workers against underground mining contractor JIC and by the requirement for the careful placement of ground support at the portal entrance to the twin declines of Phase 1. As indicated by drilling, the first 30 to 50 metres vertical at the location of the box cut required ground support consisting of roof bolts, resin injection, mesh and steel sets. Ground conditions at the Phase 1 portals are consistent with those found at the other shafts and declines operating in the vicinity. The box cut excavation brings the working area down 18 metres vertical, from where the portals begin. Once the turn under at the face was complete and the first few sets were completed, the ground conditions improved as expected. It took longer to complete this work than originally budgeted for.

The Company has completed additional drilling and engineering work since October 2009 and is considering potential changes in capital costs, power availability and project implementation schedules due to changes in the mining market, metals prices and other factors since the effective date of the Updated Feasibility Study. For more detail on Phase 1 development see " *Recent Developments – Project 1* " above.

The Company plans to commence Phase 2, including an additional southern decline access to the deposit and a milling, concentrating and tailings facility, once a final mining right has been granted and funding from both debt and equity sources are arranged to cover estimated capital costs. Plant and facility construction and commissioning are estimated to take two years to complete. First production is currently projected to occur in mid-2014. Full commercial production is estimated to occur after a two to three year ramp up period subsequent to the commissioning of the plant.

Post UFS Technical Work

Following the completion of the Updated Feasibility Study for Project 1 in October 2009 the Company completed further drilling, metallurgical work, mine design and cost estimation work. The Company has also incurred actual construction and property acquisition costs under the Phase 1 development program currently underway. Amendments to aspects of the UFS are in progress as expected during project implementation. Initial indicators, based on current implementation cost estimates, are that peak funding requirements for Project 1 have not changed materially from the UFS estimate. Current estimates of steady state production remain unchanged.

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, the completion of a skill 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 Company 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. To assist the Company in achieving these goals, we have contracted the services of an experienced and professional HR company, RBS, (*See discussion under Recent Developments- Project 1 above*)

Additionally, the mine's financial estimates include an accumulated charge per tonne to create a fund for eventual closure of the mine projected in 2031.

War Springs and Tweespalk, North Limb, South Africa

Since 2005, the Company has been actively exploring its War Springs and Tweespalk projects, which are located on the North Limb of the Bushveld Complex in South Africa. The War Springs property covers 22 square kilometres and is located 24 kilometres south of the Anglo open pit PPRust Platinum mine along the same "Platreef" section of the Bushveld Complex. Exploration has consisted of diamond drilling, geophysical surveys and ground prospecting. In March 2008, the Company reported an inferred resource on a 100% basis of 1.676 million ounces 3E (platinum, palladium and gold) at a grade of 1.11 g/t with a minor credit for copper and nickel. Additional information regarding grade, prill splits, sampling and resource calculations can be found in an NI 43-101 technical report dated June 18, 2009 entitled "Revised Inferred Mineral Resource Declaration War Springs (Oorlogsfontein 45K2), Northern Limb Platinum Property, Limpopo Province, Republic of South Africa" (the "War Springs Report") filed on SEDAR and on EDGAR at www.sec.gov.

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. Of the 22 boreholes drilled to February 2006, and which were used in the resource calculation, 15 boreholes intersected the “B” Reef and 8 boreholes intersected the “C” Reef. A total of 9,926 samples were taken for analysis. Drilling results from Phase 1 and 2 covering approximately 2,200 metres of strike length on 250 metre spacing, combined with a review of economic cut-off, form the basis of the War Springs Report.

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.

In March 2009, the Company announced an option agreement with Japan Oil, Gas and Metals National Corporation (“JOGMEC”), an incorporated administrative institution of the Government of Japan, pursuant to which JOGMEC may earn 35% (one half of the Company’s interest) of Platinum Group’s interest in the War Springs Project by incurring US$ 10 million in expenses over 5 years. Since March 2009 a total of 17,222 metres of drilling in 20 boreholes have been completed on the War Springs project with JOGMEC funding. Total expenditures incurred by JOGMEC to August 31, 2011 on War Springs amounted to approximately $2.9 million. Subsequent to year end the 2011 drilling program was completed and JOGMEC indicated that they do not plan to fund further work on this project. The Company is considering further work or possible joint ventures for the project at this time.

Sable Joint Venture, 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. In 2008 and 2009, the Company was granted several new prospecting permits as a result of this work. In 2008, the Company entered into an exploration joint venture with Sable (“Sable Joint Venture”) 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 Sable Joint Venture by spending R 51 million in exploration costs over five years. A private Black Economic Empowerment group holds 26% and the Company will operate the exploration program and retain a 23% interest when the earn-in is complete. In November 2010, Sable advised the Company that they had obtained project funding and drilling on site commenced.

Exploration work consisting of mapping, soil sampling, geophysical surveys and drilling has been undertaken to date. Drilling is underway at the time of writing. Results will be released in the months ahead. To the time of writing, a total of 4,134 metres have been drilled in 5 boreholes on the project area. The Company is the operator of the project.

Waterberg Venture, South Africa

During September 2009, the Company was granted prospecting rights for a 137 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 private South African Black Economic Empowerment firm, Mnombo, 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 confirmed this interpretation. Drilling in early 2011 confirmed the presence of BIC sequences and results announced on November 9, 2011 confirmed the presence of two PGE bearing zones or reefs with significant values. Reported drill intercepts included 3.47 g/t platinum, palladium and gold (2 PGE+Au) over 3.5 meters and 7.00 g/t 2PGE+Au over 5.0 meters at vertical depth of approximately 660 meters. At the time of writing assay values for these intercepts for rhodium, copper and nickel remained outstanding. Drilling on the Waterberg Project continued in November 2011 with two drill rigs and at the time of writing the Company is planning to deploy another two rigs in order to accelerate the project.

In October 2009, the Company entered an agreement with JOGMEC and Mnombo whereby JOGMEC may earn up to a 37% interest in the Waterberg project for an optional work commitment of US$3.2 million over 4 years, while at the same time Mnombo is required to match JOGMEC's expenditures on a 26/74 basis. If required, the Company agreed to loan Mnombo their first $87,838 in project funding. To the time of writing, a total of 3,331 metres have been drilled in 2 completed boreholes and 2 boreholes underway on the project area. The Company is the operator of the project. Total cumulative expenditures incurred by JOGMEC to August 31, 2011 amounted to approximately R 6.4 million ($0.89 million) and to October 31, 2011 JOGMEC had funded approximately R 6.85 million ($0.92 million).

On November 7, 2011 the Company entered into an agreement with Mnombo whereby the Company will acquire 49.9% of the issued and outstanding shares of Mnombo in exchange for a cash payment of R 1.2 million and for the Company paying for Mnombo's 26% share of Waterberg Project costs to feasibility. When combined with the Company's 37% direct interest in the Waterberg Project (after JOGMEC earn-in), the 12.974% indirect interest to be acquired through Mnombo will bring the Company's project interest to 49.974% .

Lac Des Iles, Ontario, Canada

The Company maintains a large mineral rights position in the Lac des Iles – Thunder Bay North area, Ontario as a strategic holding against increasing prices for palladium and platinum. Included in these holdings are claims staked in early 2011 and continued 100% interests in the Lac Des Iles River, Shelby Lake and South Legris properties, all subject to 2.0% NSR royalties, which the Company may buy back.

The Company's Canadian exploration program was active in the period and 12 new properties have been acquired in the Thunder Bay Mining District, Ontario. The acquired ground covers at total of 532 square kilometers, bringing the company's holdings in the Lac des Iles – Thunder Bay North region to 657 square kilometers. The majority of these new properties were acquired by staking, utilizing in-house compilation and modeling of geophysics, geochemistry and work completed by the company in the area over the past 10 years. Acquisition costs for the period totalled $323,577 (2010 - $31,968). In addition, the Company retains a majority interest in the 73 square kilometre Agnew lake property near Sudbury, Ontario.

The property interests acquired in the current period include the Bark Lake Option a right to earn up to a 75% interest in Benton. Bark Lake platinum-palladium project, comprised of 19 mineral claims totaling 3,884 hectares located approximately 120 km west of Thunder Bay, Ontario. Pursuant to the Bark Lake Option, to earn a 70% interest, the Company must make staged option payments of $145,000 in cash ($35,000 paid) and 215,000 shares (none issued to date) and complete $1,625,000 in exploration ($295,570 completed to August 31, 2011) over a seven year period. The Company may earn a further 5% (75% total) by completing a pre-feasibility study.

All of the newly acquired properties in the Thunder Bay District are targeted on a new mineralization type in younger intrusive rocks where contained platinum is equal or greater than palladium. Platinum Group's older projects are targeted on older intrusive rock types like that at North American Palladium's Lac des Iles Mine where palladium is the dominant PGM. Historically, North American deposits have been dominated by palladium rather than rarer and more valuable platinum. Some new exploration in the Thunder Bay area has demonstrated previously unexplored potential for platinum in pipe like intrusions or conduits. The Company plans to be a major participant in exploration for this new deposit type in this area.

The Company is currently conducting exploration programs on all the Lac des Iles - Thunder Bay District properties. Prospecting, geophysical surveys, soil and rock chip sampling, mapping and drilling have all been part of the 2011 work program. Three of the 100% owned properties and the Bark Lake Option were drill tested based on airborne geophysical survey results, geological ground work, geochemistry and compilation of historic data. A total of 2,759 metres have been drilled in 13 holes to date.

Northwest Territories, Canada

The Canadian exploration portfolio has also expanded north with the acquisition of 100% ownership in the Providence Ni-Cu-Co-PGM property in the Northwest Territories. The property covers approximately 20 kilometers of a recently recognized belt of mafic to ultramafic rocks that is host to the first discovery of magmatic Cu-Ni-Co-PGM massive sulphide mineralization in the Slave Craton. There is an established three dimensional target with sixteen drill intercepts of copper, nickel and impressive PGM grades as well as regionally mapped district potential. The Company is planning for an early 2012 supply and exploration start up utilizing the winter road that services the Diavik Mine, located 70 kilometers east of the project. Diamond drilling is planned to expand the extent of known mineralization as well as test numerous under explored targets defined by the work inherited from the previous owner along the 20 kilometer trend.

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. 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.

Additional funding may be required

The Company does not have sufficient cash resources on hand to meet all of the Company's planned future financial requirements relating to the exploration, development and operation of the Company's projects. The Company will require additional financing from external sources, such as joint ventures, debt financing or equity financing, in order to meet planned requirements and carry out the future development of the Company's projects and external growth opportunities. The success and the pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions at that time. There can be no assurance that such financing will be available to the Company or, if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, this may have a depressive effect on the price of the Company's securities and the interests of shareholders in the net assets of the Company may be diluted. Any failure by the Company to obtain required financing on acceptable terms could cause the Company to delay development of its material projects and could have a material adverse effect on the Company's financial condition, results of operations and liquidity.

Metal prices affect the success of the Company's business

Metal prices have historically been subject to significant price fluctuations. 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, all of the Company's properties are in the exploration stage and no known reserves have been discovered on such properties. At this stage, favourable 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 herein 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. Amendments to the mine plans and production profiles may be required as the amount of resources changes or upon receipt of further information during the implementation phase of the project.

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 national, provincial, territorial and local governmental authorities. In particular, the Company must obtain a water use licence and mining right for Project 1 and an environmental impact assessment must be completed and approved by the Government of South Africa and 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 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.

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 nonresident. 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 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 the Company, its directors and officers, and the experts named herein may be limited due to the fact that the Company is incorporated outside of the United States, a majority of such directors, officers, and experts reside outside of the United States and their assets are located outside the United States. There is uncertainty as to whether foreign courts would: (i) enforce judgments of United States courts obtained against the Company or such person predicated upon the civil liability provisions of the United States federal securities laws, or (ii) entertain original actions brought in foreign courts against the Company or such persons predicated upon the federal securities laws of the United States, as such laws may conflict with foreign laws.

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 local communities;
- labour 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 effect 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.**

Apart from income for the year ended August 31, 2010 of $26.66 million, the Company has a history of losses. Net losses in 2011 were $11.67 million and a $7.0 million loss was recorded in the year ended August 31, 2009. At August 31, 2011, the Company had an accumulated deficit of $19.78 million. 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 the Updated Feasibility Study indicates a positive economic model for Project 1, there is no certainty that the Company will succeed in placing that project into production in the near future, if at all. The Company used $5.90 million in cash for operating purposes in 2011, $6.71 million in cash for operating purposes in 2010 and $5.42 million in cash for operating activities in 2009. The Company used $90.23 million in cash for investing activities in 2011, $25.02 million for investing activities in 2010 and $3.13 million in 2009. Historically, the only source of funds available to the Company has been through the sale of its equity securities, interest revenue 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 the Company's liabilities arising from normal business operations when they become due. External financing, predominately by the issuance of equity to the public, and by debt financing, will be sought to finance the Company's operations; however, there is no assurance that sufficient funds will be raised.

Most of the Company's properties contain no known reserves

Project 1 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 the Company to write-off the costs capitalized for that property in its Canadian GAAP financial statements. At August 31, 2011 deferred acquisition, exploration and development costs related to the Western Bushveld Complex totalled $138.56 million (2010 - $115.43 million and 2009 - $Nil) while all of the Company's mineral property interests outside of the WBC Project totalled $7.81 million (2010 - $6.4 million and 2009 - $6.0 million).

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 CFO 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 the Company. 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, CEO and director is also a director of West Kirkland Mining Inc. ("WKM"), a public company with mineral exploration properties in Ontario and Nevada, a director of MAG Silver Corp. ("MAG Silver"), a public company with silver properties in Mexico, and a director of Nextraction Energy Corp. ("Nextraction"), a public company with oil properties in Alberta, Kentucky and Wyoming. Frank Hallam, the Company's CFO and director, is also a director of MAG Silver, WKM, Lake Shore Gold Corp, and Nextraction. Eric Carlson, a director of the Company, is also a director of MAG Silver, WKM and Nextraction. 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 the Company's financial position at that time. See " *Conflicts of Interest* ."

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 price of the Common Shares on the TSX fluctuated from a high of $2.70 to a low of $1.26 and on the NYSE-A from a high of US $2.80 to a low of US $1.25 within the twelve month period ending August 31, 2011. There can be no assurance that continual fluctuations in price will not occur.

The Company does not expect to pay dividends

The Company has not paid any dividends since incorporation and it has no plans to pay dividends for some time. The Company's directors will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time. All of the Common Shares are entitled to an equal share of any dividends declared and paid.

The Company's prospecting rights are subject to title risks

The Company's prospecting rights may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. The Company holds its interest in Project 1 and Project 3 through its holdings of Maseve, which company in turn holds 100% of the prospecting rights comprising Project 1 and Project 3. Although duly approved and issued, these prospecting rights are still in process of final title registration by the Government of South Africa. These or other defects could adversely affect the Company's title to such properties or delay or increase the cost of the development of such prospecting rights.

***Any disputes or disagreements with the Company's joint venture partners could* materially and adversely affect the Company's business**

PTM RSA is a party to the Maseve Shareholders' agreement, a shareholder's agreement with Africa Wide and Maseve related to the exploration and development of Project 1 and Project 3. Certain members of the management and boards of directors of Maseve are nominated by Wesizwe. Although the Company has majority control of Maseve and its board of directors, there is no assurance that the strategic direction of Maseve will always be consistent with the Company's objectives. Any change in the management or strategic direction of Wesizwe or one or more of the Company's other joint venture partners could materially and adversely affect the Company's business and results of operations. Additionally, if a dispute arises between the Company and a joint venture partner which cannot be resolved amicably, the Company may be unable to move its projects forward and may be involved in lengthy and costly proceedings to resolve the dispute, which could materially and adversely affect the Company's business and results of operations.

***Socio-economic instability in South Africa or regionally may have an adverse* effect on the Company's operations and profits**

The Company has ownership interests in significant projects in South Africa. As a result, it is subject to political and economic risks relating to South Africa, which could affect an investment in the Company. South Africa was transformed into a democracy in 1994. The government policies aimed at redressing the disadvantages suffered by the majority of citizens under previous governments may impact the Company's South African business. In addition to political issues, South Africa faces many challenges in overcoming substantial differences in levels of economic development among its people. While South Africa features highly developed and sophisticated business sectors and infrastructure at the core of its economy, large parts of the population do not have access to adequate education, health care, housing and other services, including water and electricity.

The Company is subject to South African statutes aimed at promoting the accelerated integration of historically disadvantaged South Africans, including the MPRDA, the *Broad-Based Black Economic Empowerment Act, 2003* (the "BEE Act") and the *Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry* (the "Charter"). To ensure that the socio-economic strategies are implemented, the BEE Act provides for Codes of Good Practice (the "Codes") issued by the South African Minister of Trade and Industry which specify empowerment targets consistent with the objectives of the BEE Act. The scorecard of the Mining Charter requires the mining industry's commitment of applicants in respect of ownership, management, employment equity, human resource development, procurement and beneficiation. The Charter also set out targets and criteria for broad-based black economic empowerment.

The Company cannot predict the future political, social and economic direction of South Africa or the manner in which government will attempt to address the country's inequalities. It is also difficult to predict the impact of addressing these inequalities on the Company's business. Furthermore, there has been regional, political and economic instability in countries north of South Africa. Such factors may have a negative impact on the Company's ability to own, operate and manage its South African mining projects.

***The Company's land in South Africa could be subject to land restitution claims* which could impose significant costs and burdens**

The Company's privately held land could be subject to land restitution claims under the *South African Restitution of Land Rights Act 1994* (the "Land Claims Act"). Under the Land Claims Act, any person who was dispossessed of rights in land in South Africa as a result of past racially discriminatory laws or practices without payment of just and equitable compensation is granted certain remedies, including the restoration of the land against payment of the owner of compensation by the state. Under the Land Claims Act, persons entitled to institute a land claim were required to lodge their claims by December 31, 1998. The Company has not been notified of any land claims, but any claims of which it is notified in the future could have a material adverse effect on its right to the properties to which the claims relate and, as a result, on the Company's business, operating results and financial condition.

The *South African Restitution of Land Rights Amendment Act 2004* (the "Amendment Act"), became law on February 4, 2004. Under the Land Claims Act, the South African Minister for Agriculture and Land Affairs (the "Land Minister"), may not acquire ownership of land for restitution purposes without a court order unless an agreement has been reached between the affected parties. The Amendment Act, however, entitles the Land Minister to acquire ownership of land by way of expropriation either for claimants who do not qualify for restitution, or, in respect of land as to which no claim has been lodged but the acquisition of which is directly related to or affected by a claim, the acquisition of which would promote restitution to those entitled or would encourage alternative relief to those not entitled. Expropriation would be subject to provisions of legislation and the South African Constitution which provides, in general, for just and equitable compensation. There is, however, no guarantee that any of the Company's privately held land rights could not become subject to acquisition by the state without the Company's agreement, or that the Company would be adequately compensated for the loss of its land rights, which could have a negative impact on the Company's South African projects and therefore an adverse effect on its business and financial condition.

Any adverse decision in respect of the Company's mineral rights and projects in South Africa under the MPRDA could materially affect the Company's projects in South Africa

With the enactment of the MPRDA, the South African state became the sole regulator of all prospecting and mining operations in South Africa. All prospecting and mining licences and claims granted in terms of any prior legislation became known as the "old order rights". All prospecting and mining rights granted in terms of the MPRDA are "new order rights". All old order prospecting rights had to be lodged for conversion by May 1, 2006 and all old order mining rights had to be lodged for conversion by May 1, 2009.

A wide range of factors and principles must be taken into account by the South African Minister of Mineral Resources when considering applications for conversion of prospecting rights to mining rights and old order rights or applications for new order rights. These factors include the applicant's access to financial resources and appropriate technical ability to conduct the proposed prospecting or mining operations, the environmental impact of the operation and, in the case of prospecting rights and mining, considerations relating to fair competition. Other factors include considerations relevant to promoting employment and the social and economic welfare of all South Africans and showing compliance with the provisions regarding the empowerment of historically disadvantaged persons in the mining industry. The MPRDA also provides that a mining right granted under it may be cancelled if the mineral to which such mining right relates is not mined at an optimal rate. All of the Company's old order prospecting permits in respect of Project 1 and Project 3 have now been converted into new order prospecting rights and the mining right application is in process.

If the Company does not comply with the MPRDA, the Company may be materially delayed or restricted from proceeding with its exploration activities, with the development of future mines and with potential mining operations.

The introduction of South African State royalties where all of the Company's current mineral reserves are located could have an adverse effect on the Company's results of operations and its financial condition

The *Mineral and Petroleum Resources Royalty Act* (the "MPRRA") came into operation on May 1, 2009. The MPRRA provides for a minimum royalty rate of 0.5% and a maximum rate of 7% for unrefined product, and the royalty will be a tax deductible expense. The feasibility studies covering the Company's South African projects made certain assumptions related to the expected royalty rates under the MPRRA. If and when the Company begins earning revenue from its South African mining projects, and if the royalties under the MPRRA differ from those assumed in the feasibility studies, this new royalty could have a material and adverse impact on the economic viability of the Company's projects in South Africa, as well as on the Company's prospects, financial condition and results of operations.

***There can be no assurance that an active market for the Common Shares will be* sustained**

Securities of mining companies have experienced substantial volatility in the past, and especially during the last couple of years, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also likely to be significantly affected by short-term changes in commodity prices, other precious metal prices or other mineral prices, currency exchange fluctuations, financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the performance of the Company that may have an effect on the price of the securities of the Company include the following: the extent of analytical coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of securities of the Company; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the securities of the Company that persists for a significant period of time could cause the Company's securities to be delisted from an exchange, further reducing market liquidity. If an active market for the securities of the Company does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Company may decline. As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

There will be dilution from further equity financings

In order to finance future operations, the Company may raise funds through the issuance of common shares or the issuance of debt instruments or other securities convertible into common shares. The Company cannot predict the size of future issuances of common shares or the size and terms of future issuances of debt instruments or other securities convertible into common shares or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the common shares. Any transaction involving the issuance of previously authorized but unissued shares, or securities convertible into common shares, would result in dilution, possibly substantial, to present and prospective security holders.

***Management will have discretion concerning the use of cash resources as well as* the timing of expenditures.**

Investors will be relying on the judgment of management for the application of the cash resources of the Company. Management may use cash in ways that an investor may not consider desirable. The results and the effectiveness of the application of cash resources are uncertain. If cash resources are not applied effectively, the Company's results of operations may suffer.

Dividends

As of the date of this AIF, 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

The Company’s authorized share structure consists of an unlimited number of common shares without par value, of which 177,584,542 common shares were issued and outstanding as at November 21, 2011. 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 common 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 the Company, whether voluntary or involuntary, or any other distribution of the Company’s assets among the shareholders for the purpose of winding up its affairs after we have paid out our liabilities. Shareholders 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 the Company upon dissolution. No common 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.)

Market for Securities

Trading Price and Volume

The Company’s common shares are listed on the TSX 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, 2010	2.45	1.87	550,200
October, 2010	2.29	1.86	1,149,300
November, 2010	2.49	2.01	1,143,600

Toronto Stock Exchange – PTM

Month	*High*	*Low*	*Volume*
December, 2010	2.79	2.08	750,200
January, 2011	2.75	2.20	542,000
February, 2011	2.51	2.22	570,600
March, 2011	2.49	1.88	359,000
April, 2011	2.24	1.90	307,100
May, 2011	2.06	1.81	261,300
June, 2011	2.02	1.67	565,100
July, 2011	1.80	1.62	145,500
August, 2011	1.72	1.24	180,400

NYSE AMEX – PLG

Month	*High*	*Low*	*Volume*
September, 2010	2.39	1.76	213,400
October, 2010	2.24	1.80	328,000
November, 2010	2.50	1.96	894,600
December, 2010	2.80	2.04	723,000
January, 2011	2.77	2.20	568,700
February, 2011	2.62	2.24	625,100
March, 2011	2.56	1.90	465,000
April, 2011	2.34	1.98	368,400
May, 2011	2.14	1.84	278,100
June, 2011	2.08	1.74	177,400
July, 2011	2.08	1.74	177,400
August, 2011	1.79	1.25	290,000

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 (4) 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) **(4)** 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

Name & Position	Principal Occupation or Employment	Director since
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)(4)] Chairman 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
TIMOTHY M. MARLOW **Director** **British Columbia, Canada**	Chartered Engineer	June 15, 2011
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
KRIS BEGIC Vice President, Corporate Development	VP, Corporate Development of the Company.	N/A

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

As of November 21, 2011, directors and officers of the Company own or control approximately 3,785,150 Common Shares representing approximately 2.13% 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.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company (or any of their personal holding companies):

(a) is, or during the ten years preceding the date of this AIF has been, a director, chief executive officer or chief financial officer of any company, including the Company, that:

(i) 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 order; or

(ii) 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;

(b) is, or during the ten years preceding the date of this AIF has been, a director or executive officer, of any company, including the Company, that while the director or executive officer 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

(c) has, within the ten years preceding the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 individual.

For the purposes hereof, “order” means:

(a) a cease trade order;

(b) an order similar to a cease trade order; or

(c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

No director or executive officer of the Company (or any of their personal holding companies) has been subject to:

(a) 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

(b) any other penalties or sanctions imposed by a court or regulatory body which would likely 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 .

Audit Committee

Pursuant to National Instrument 52-110 – *Audit Committees* (" **NI 52-110** "), companies that are required to file an AIF are required to provide certain disclosure with respect to their audit committee. The Company's audit committee (" **Audit Committee** ") is responsible for reviewing the Company's financial reporting procedures, internal controls and the performance of the Company's external auditors.

Audit Committee Charter

The text of the Audit Committee Charter attached hereto 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 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, 2011 and August 31, 2010 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, 2011	**Year ended August 31, 2010**
Audit Fees	$307,024	$245,876
Audit-Related Fees (1)	34,913	Nil
Tax Fees (2)	14,863	$250,888
All Other Fees (3)	Nil	$20,970
Total	356,799	$517,734

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 the 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 AIF 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.

Material Contracts

Other than the Maseve Shareholders Agreement, there are no contracts of the Company other than contracts entered into in the ordinary course of business of the Company (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.

Names and Interests of Experts

Charles J. Muller, Minxcon (Pty) Ltd., Gordon I. Cunningham, Timothy Spindler, Turnberry Projects (Pty) Ltd. and Byron Stewart, Wardrop Engineering Inc. have been named as having prepared reports described or included in a filing, or referred to in a filing, made under NI 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 21, 2011 in respect of the Company's consolidated financial statements as at August 31, 2011 and for the year ended August 31, 2011 and the Company's internal control over financial reporting as at August 31, 2011. 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 and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's information circular for its most recent annual meeting of shareholders.

Additional financial information is provided in the Company's 2011 Annual Report containing the Management's Discussion and Analysis and the Consolidated Financial Statements for the year ended August 31, 2011.

Copies of the above may be obtained, 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 NYSE Amex LLC, 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.

4. <u>Chair</u>

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.

5. <u>Meetings</u>

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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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 of 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.

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

Consolidated Financial Statements (Audited)
For the year ended August 31, 2011

Filed: November 22, 2011

November 21, 2011

Independent Auditor's Report

To the Shareholders of Platinum Group Metals Ltd.

We have completed integrated audits of Platinum Group Metals Ltd.'s ("the Company") 2011, 2010 and 2009 consolidated financial statements and an audit of the effectiveness of the Company's internal control over financial reporting as at August 31, 2011. Our opinions, based on our audits, are presented below.

Report on the consolidated financial statements
We have audited the accompanying consolidated financial statements of Platinum Group Metals Ltd., which comprise the consolidated balance sheets as at August 31, 2011 and August 31, 2010 and the consolidated statements of operations and comprehensive (loss) income, shareholders' equity and cash flows for each of the three years in the period ended August 31, 2011, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement. Canadian generally accepted auditing standards require that we comply with ethical requirements.

An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles and policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

PricewaterhouseCoopers LLP Chartered Accountants
PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada V6C 3S7
T: 604 806 7000, F:604 806 7806, www.pwc.com/ca

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Platinum Group Metals Ltd. as at August 31, 2011 and August 31, 2010 and the results of its operations and cash flows for each of the years in the three year period ended August 31, 2011 in accordance with Canadian generally accepted accounting principles.

Report on internal control over financial reporting

We have also audited Platinum Group Metals Ltd.'s internal control over financial reporting as at August 31, 2011 based on criteria established in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Management's responsibility for internal control over financial reporting

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 Management's Report on Internal Control over Financial Reporting.

Auditor's responsibility

Our responsibility is to express an opinion on Platinum Group Metals Ltd.'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 about 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, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control, based on the assessed risk, and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our audit opinion on the Company's internal control over financial reporting.

Definition of internal control over financial reporting

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.

Inherent limitations

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.

Opinion

In our opinion, Platinum Group Metals Ltd. maintained, in all material respects, effective internal control over financial reporting as at August 31, 2011 based on criteria established in Internal Control - Integrated Framework, issued by COSO.

Signed "PricewaterhouseCoopers LLP "

Chartered Accountants

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 President and Chief Financial Officer, will certify our annual filings with the CSA and SEC as required in Canada by National Instrument 52-109 and in the United States as required by the Sarbanes-Oxley Act of 2002.

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 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, 2011. Based on this evaluation, management has concluded that as at August 31, 2011, the Company's internal control over financial reporting was effective.

PricewaterhouseCoopers LLP, our auditor, has audited the effectiveness of our internal control over financial reporting as of August 31, 2011, as stated in their report which appears herein.

/s/ R. Michael Jones
R. Michael Jones
Chief Executive Officer

/s/ Frank Hallam
Frank Hallam
Chief Financial Officer

November 21, 2011

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

(expressed in Canadian dollars)		**Aug. 31, 2011**		**Aug. 31, 2010**
ASSETS				
CURRENT				
Cash and cash equivalents	$	64,118,931	$	2,366,136
Amounts receivable (Note 3 (a))		1,845,114		1,270,548
Prepaid expenses and other assets (Note 3 (b))		109,595		69,382
Total current assets		**66,073,640**		**3,706,066**
Restricted cash (Note 4 (a (iii)))		47,719,829		-
Non-current prepaid expenses (Note 3 (b))		2,598,273		-
Assets held for sale (Note 6)		951,928		951,928
Performance bonds (Note 4 (a (iv)))		2,161,698		160,376
Mineral properties (Note 4)		146,379,119		121,863,216
Property, plant and equipment (Note 5)		20,828,635		309,417
Total assets	**$**	**286,713,122**	**$**	**126,991,003**
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	$	5,982,056	$	2,270,008
Total current liabilities		**5,982,056**		**2,270,008**
Future income taxes (Note 15)		21,452,793		21,822,522
Asset retirement obligation (Note 7)		645,369		-
Total liabilities		**28,080,218**		**24,092,530**
Non-controlling interest (Note 4(a (ii)))		11,695,298		11,149,482
SHAREHOLDERS' EQUITY				
Share capital (Note 8)		256,312,632		91,794,123
Contributed surplus		13,816,234		10,929,202
Accumulated other comprehensive income		(3,415,608)		(3,415,608)
Deficit		(19,775,652)		(7,558,726)
Total shareholders' equity		**246,937,606**		**91,748,991**
Total liabilities and shareholders' equity	**$**	**286,713,122**	**$**	**126,991,003**

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.

PLATINUM GROUP METALS LTD.
(An exploration and development stage company)
Consolidated Statements of Operations and Comprehensive (loss) income

(expressed in Canadian dollars)	Year Ended August 31, 2011	Year ended August 31, 2010	Year ended August 31, 2009	Cumulative amount from March 16, 2000 to August 31, 2011 (unaudited)
EXPENSES				
General and administrative	$ 6,528,017	$ 6,537,109	$ 5,533,115	$ 35,964,552
Foreign exchange loss (gain)	3,336,991	1,013,115	(322,833)	4,245,805
Stock compensation expense	6,910,305	137,600	2,100,736	12,744,827
Mineral property costs written off	-	-	-	6,430,293
Amortization	262,245	104,622	117,221	977,791
	(17,037,557)	(7,792,446)	(7,428,239)	(60,363,267)
Less interest income	3,785,298	442,142	139,548	5,299,687
Loss for the year before other items	(13,252,260)	(7,350,304)	(7,288,691)	(55,063,581)
Other items:				
Write-down of and equity loss in investment	-	-	-	(429,275)
Realized gain on sale of marketable securities	-	2,796,738	-	2,844,420
Gain on sale of Project #2 (Note 4)	-	45,619,744	-	45,619,744
Gain on sale of fixed assets	-	177,284	7,297	175,651
(Loss) Income for the year before income taxes	(13,252,260)	41,243,462	(7,281,394)	(6,853,041)
Income tax expense	(487,263)	-	-	-
Future income tax recovery (expense)	2,068,413	(14,583,288)	318,010	(10,033,916)
(Loss) Income for the year	(11,671,110)	26,660,174	(6,963,384)	(16,886,957)
Income attributable to non-controlling interest	545,816	-	-	545,816
Net (loss) income attributable to the stockholders of Platinum Group Metals	$ (12,216,926)	$ 26,660,174	$ (6,963,384)	$ (17,432,773)
Other comprehensive (loss) income				
Currency translation adjustment	$ -	$ (803,781)	$ 428,820	$ (3,415,608)
Realized gain on marketable securities	-	(1,636,252)	-	(1,636,252)
Unrealized loss on marketable securites	-	-	864,452	43,351
Comprehensive (loss) income for the year	$ (12,216,926)	$ 24,220,141	$ (5,670,112)	$ (22,441,282)
Basic (loss) earnings per common share	$ (0.07)	$ 0.29	$ (0.10)	
Diluted (loss) earnings per common share	$ (0.07)	$ 0.28	$ (0.10)	
Weighted-average number of common shares outstanding - Basic	164,217,204	93,498,192	72,466,079	

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, 2008, to August 31, 2011

(expressed in Canadian dollars)

	Common shares without par value		Contributed surplus	Accumulated other comprehensive income	Deficit	Total shareholders' equity
	Shares	Amount				
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 based compensation	-	-	2,518,107	-	-	2,518,107
Translation adjustment	-	-	-	428,820	-	428,820
Unrealized gain on marketable 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
Issued on exercise of stock options	1,149,125	1,848,807	(694,608)	-	-	1,154,199
Stock based compensation	-	-	164,895	-	-	164,895
Translation adjustment	-	-	-	(803,781)	-	(803,781)
Realized gain on marketable securities transferred to income	-	-	-	(1,636,252)	-	(1,636,252)
Net earnings	-	-	-	-	26,660,174	26,660,174
Balance, August 31, 2010	93,964,792	91,794,123	10,929,202	(3,415,608)	(7,558,726)	91,748,991
Issuance of common shares for cash	70,150,000	135,365,649	-	-	-	135,365,649
Issued on exercise of stock options	936,500	1,932,401	(468,121)	-	-	1,464,280
Issued on exercise of warrants	12,533,250	27,220,459	(5,287,273)	-	-	21,933,187
Stock based compensation	-	-	8,642,425	-	-	8,642,425
Net loss	-	-	-	-	(12,216,926)	(12,216,926)
Balance, August 31, 2011	177,584,542	$ 256,312,632	$ 13,816,234	$ (3,415,608)	$ (19,775,652)	$ 246,937,606

See accompanying notes to the consolidated financial statements.

PLATINUM GROUP METALS LTD.
(An exploration and development stage company)
Consolidated Statements of Cash Flows
August 31, 2009 to August 31, 2011

(expressed in Canadian dollars)

	Year ended August 31, 2011	Year ended August 31, 2010	Year ended August 31, 2009	Cumulative amount from March 16, 2000 to August 31, 2011 (unaudited)
OPERATING ACTIVITIES				
(Loss) Income for the year	**$ (12,216,926)**	**$ 26,660,174**	$ (6,963,384)	$ (18,029,652)
Add items not affecting cash				
Amortization	**261,375**	**104,622**	117,221	976,921
Write-down and equity loss in investment	**-**	**-**	-	429,275
Future income tax expense (recovery)	**(2,068,413)**	**14,583,288**	(318,010)	10,033,916
Gain on sale of marketable securities	**-**	**(2,796,738)**	-	(2,844,420)
Loss on sale or exchange of assets	**-**	**(175,623)**	-	(166,693)
Gain on sale of Project #2 (Note 4)	**-**	**(45,619,744)**	-	(45,619,744)
Mineral property costs written off	**-**	**-**	-	6,430,293
Finders fee received in shares	**-**	**-**	-	(100,000)
Gain on sale of mineral property	**-**	**-**	-	(240,000)
Unrealized foreign exchange loss	**869,679**	**-**	-	869,679
Non-cash stock compensation expense	**6,910,305**	**137,600**	2,100,736	12,744,827
Net change in non-cash working capital (Note 13)	**348,844**	**394,181**	(355,301)	833,101
	(5,895,136)	**(6,712,240)**	(5,418,738)	(34,682,497)
FINANCING ACTIVITIES				
Proceeds from financing	**143,807,500**	**-**	39,463,299	219,618,489
Share issue costs	**(8,441,851)**	**-**	-	(8,441,851)
Exercise of warrants	**21,933,187**	**-**	-	36,504,249
Exercise of stock options	**1,464,280**	**1,154,199**	281,640	4,347,518
	158,763,116	**1,154,199**	39,744,939	252,028,405
INVESTING ACTIVITIES				
Costs to acquire New Millennium Metals	**-**	**-**	-	(231,325)
Acquisition of property, plant and equipment	**(20,780,593)**	**(48,960)**	(2,411)	(21,810,792)
Acquisition cost of mineral properties	**(338,699)**	**(28,342,052)**	(1,971,907)	(33,519,446)
Performance bonds	**(2,001,322)**	**(22,527)**	(11,473)	(2,161,698)
Exploration expenditures, net of recoveries	**(18,666,455)**	**(287,571)**	(231,797)	(27,758,593)
Accounts receivable (VAT)	**(726,243)**	**-**	-	(726,243)
Investment in and advances to WBJV	**-**	**-**	(922,799)	(22,087,414)
Investment in and advances to Active Gold Group Ltd.	**-**	**-**	-	(246,677)
Proceeds on sale of assets held for sale	**-**	**652,864**	-	652,864
Restricted cash	**(47,719,829)**	**-**	-	(47,719,829)
Proceeds on sale of marketable securities	**-**	**3,006,738**	-	3,264,220
	(90,233,141)	**(25,041,508)**	(3,140,387)	(152,344,933)
Net increase (decrease) in cash and cash equivalents	**62,634,839**	**(30,599,549)**	31,185,814	65,000,975
Effect of foreign exchange on cash	**(882,044)**	**-**	-	(882,044)
Cash and cash equivalents, beginning of year	**2,366,136**	**32,965,685**	1,779,871	-
Cash and cash equivalents, end of year	**$ 64,118,931**	**$ 2,366,136**	$ 32,965,685	$ 64,118,931

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 controlled by the Company through voting equity interest, referred to as subsidiaries, are consolidated.

These consolidated financial statements include the accounts of the Company and its principal wholly-owned subsidiaries, Platinum Group Metals (Barbados) Ltd., Platinum Group Metals (RSA) (Pty) Ltd. ("PTM RSA") (and in turn PTM RSA's wholly-owned subsidiary Wesplats Holdings (Proprietary) Limited ("Wesplats") and the 74% owned subsidiary Maseve Investments 11 (Pty) Ltd. ("Maseve"). 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. Maseve holds a 100% interest in Projects 1 and 3 of the former Western Bushveld Joint Venture ("WBJV"). All significant intercompany balances and transactions have been eliminated upon consolidation.

(b) 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.

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

Mineral properties consist of exploration and mining concessions, options, contracts and associated surface rights. 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 mineral investments for impairment annually, or more often if indicators of impairment arise. 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 recoverable amount. When it is determined that carrying value of a mineral property cannot be recovered it is written down to its estimated fair value.

(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 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.

(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) 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.

(g) *Fixed assets*

Fixed assets are recorded at cost and are amortized over the following periods:

Building	20 years
Mining Equipment	2 – 22 years
Vehicles	3 -5 years
Computer equipment and software	3 –5 years
Furniture and fixtures	5 years

Construction work in-progress is not depreciated until the assets are ready for their intended use.

(h) *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, and stock-based compensation, asset retirement obligations and fair value estimates. Actual results could differ from those estimates.

(i) *Translation of foreign currencies*

These consolidated financial statements are expressed in Canadian dollars. For integrated foreign operations, monetary assets and liabilities are translated at period end exchange rates and other assets and liabilities are translated at historical rates. Income, 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.

(j) *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 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.

(k) *Financial instruments*

The Company's financial instruments are comprised primarily of cash and cash equivalents, restricted cash, amounts receivable, amounts due to/from project partners, performance bonds, and accounts payable and accrued liabilities. All financial instruments are recognized initially at fair value. Held-for trading financial assets are measured at fair value with changes in fair value recognized in earnings. Available-for-sale financial assets are also measured at fair value with changes in fair value recognized in comprehensive income until the investment is derecognized or impaired, at which time the amounts in accumulated comprehensive income are recorded in earnings.

Cash and cash equivalents and restricted cash are accounted for as held for trading. Accounts receivable, amounts due to/from project partners, performance bonds and accounts payable and accrued liabilities are measured at amortized cost.

3. AMOUNTS RECEIVABLE AND PREPAIDS

a) Amounts Receivable

		Aug. 31, 2011		Aug. 31, 2010
South African value added tax ("VAT")	**$**	**1,170,979**	$	444,736
Expenditure advances		**344,360**		8,486
Interest receivable		**115,646**		1,570
Sundown Ranch receivable		**87,023**		-
Goods and services tax		**79,828**		126,803
Due from related parties (Note 11 (d) and (e))		**47,278**		36,089
Receivable from sale of assets		**-**		652,864
	$	**1,845,114**	$	1,270,548

b) Prepaid expenses and other assets

		Aug. 31, 2011		Aug. 31, 2010
Current				
Annual insurance premiums	**$**	**86,705**	$	50,491
Miscellaneous		**22,890**		18,891
Total current prepaids		**109,595**		**69,382**
Non-current				
Project 1 - Construction contractor		**2,598,273**		**-**
Total non-current prepaids		**2,598,273**		**-**
Total all prepaids	**$**	**2,707,868**	**$**	**69,382**

4. MINERAL PROPERTIES

		Aug 31, 2011		Aug 31, 2010
Project 1 (a)	**$**	**134,355,019**	$	111,219,402
Project 3 (a)		**4,206,250**		4,206,250
Other mineral properties (b)		**7,817,850**		6,437,564
	$	**146,379,119**	$	121,863,216

a) Projects 1 & 3

i. Initial Joint Venture Agreement – October 26, 2004

On October 26, 2004 the Company entered into the WBJV with a subsidiary of Anglo Platinum Limited ("Anglo") and Africa Wide Mineral Prospecting and Exploration (Pty) Limited ("Africa Wide") to pursue platinum exploration and development on combined mineral rights that would eventually cover approximately 72 square kilometres on the Western Bushveld Complex of South Africa. 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. ("Wesizwe")) and Project 3 (100% WBJV). In April 2007 the shareholders of Africa Wide sold 100% of their company to Wesizwe.

The Company published a Feasibility Study for Project 1 of the WBJV in July 2008 and later an Updated Feasibility Study in October 2009. Based on the WBJV resource estimate contained in the July 2008 Feasibility Study, in accordance with the requirements of the original WBJV agreement, each party was allocated an equalization amount due or payable based upon their contribution of measured, indicated, and inferred ounces of combined platinum, palladium, rhodium and gold ("4E") from their contributed properties. On April 22, 2010 the Company paid an equalization amount due to Anglo in the amount of $ 24.83 million (R 186.26 million).

ii. Reorganization – April 22, 2010

Also on April 22, 2010, the partners of the WBJV completed a transaction announced in August 2008 dissolving the WBJV and reorganizing its underlying assets ("Consolidation Transaction.") Wesizwe acquired all of Anglo's mineral interests underlying the WBJV, retained Anglo's interests in Project 2, and then transferred all of Anglo's interests underlying Projects 1 and 3 into the project operating company, Maseve. The Company transferred its interests in the mineral rights underlying Projects 1 and 3 into Maseve, and rescinded its interests in Project 2 to Wesizwe. As a result Wesizwe retained 100% of Project 2 and Maseve obtained 100% of Projects 1 and 3.

The sale of the Company's 18.5% interest in Project 2 was recorded at an estimated fair value of $65.42 million on April 22, 2010, versus an historic cost of $19.80 million, for a gain of $45.62 million. The transfer of the Company's 37% interest in Projects 1 and 3 into Maseve was accounted for as a reorganization of existing business and was transferred into Maseve at book cost.

In exchange for its 18.5% of Project 2 the Company effectively received a 17.75% interest in Maseve. The Company also received a 37% interest in exchange for its share of Projects 1 and 3, bringing its holdings in Maseve to 54.75%. Wesizwe received a 45.25 % initial interest in Maseve.

The Company consolidated the financial statements of Maseve from the effective date of the reorganization. The portion of Maseve not owned by the Company, calculated at $11.70 million at August 31, 2011, is accounted for as a non-controlling interest.

iii. *Exercise of Maseve Subscription Right*

Under the terms of the Consolidation Agreements, the Company acquired the right to subscribe for a further 19.25% interest in Maseve for subscriptions in the amount of approx. $59 million (R 408.81 million). The Company exercised this right in January 2011, thereby increasing its shareholding to 74%. The subscription funds are held in escrow for application towards Wesizwe's capital requirements for Projects 1 and 3. These funds are classified as restricted cash. As of August 31, 2011, the balance of restricted cash is $47,719,829. For every $74 spent on project requirements in Maseve, $26 can be removed from restricted cash to cover Wesizwe's share of costs.

iv. *Other financial information - Project 1*

Site preparations and excavations for twin decline access to the Project 1 ore
body commenced on May 3, 2011. At August 31, 2011 the Company recorded an asset retirement obligation of $645,369 based on the degree of surface disturbance. As of August 31, 2011 the Company has posted $2.16 million as performance bonds in South Africa against reclamation work, approximately $2.07 million of which is posted against work on Project 1.

b) Other mineral properties

Year ended August 31, 2011

	South Africa			Canada			
	Tweespalk	**War Springs**	**Other**	**LDI River**	**Shelby Lake**	**Other**	**Total**
Acquisition costs of mineral rights							
Balance, beginning of year	$ 83,741	$ 164,953	$ 20,111	$ 598,571	$ 381,856	$ 23,976	$ 1,273,208
Incurred during year	575	607	7,303	-	13,320	324,910	346,715
Balance, end of year	$ 84,316	$ 165,560	$ 27,414	$ 598,571	$ 395,176	$ 348,886	$ 1,619,923
Deferred exploration costs							
Balance, beginning of year	$ 893,106	$ 2,271,260	$ 679,853	$ 366,555	$ 811,143	$ 142,439	$ 5,164,356
Incurred during year	1,927	624,192	1,054,414	-	132,075	915,379	2,727,987
Subtotal	895,033	2,895,452	1,734,267	366,555	943,218	1,057,818	7,892,343
Recoveries	-	(631,951)	(1,062,465)	-	-	-	(1,694,416)
Balance, end of year	$ 895,033	$ 2,263,501	$ 671,802	$ 366,555	$ 943,218	$ 1,057,818	$ 6,197,927
Total Other Mineral Properties	$ 979,349	$ 2,429,061	$ 699,216	$ 965,126	$ 1,338,394	$ 1,406,704	$ 7,817,850

Year ended August 31, 2010

	South Africa			Canada			
	Tweespalk	**War Springs**	**Other**	**LDI River**	**Shelby Lake**	**Other**	**Total**
Acquisition costs of mineral rights							
Balance, beginning of year	$ 59,995	$ 144,498	$ 3,321	$ 598,571	$ 373,864	$ -	$ 1,180,249
Incurred during year	23,746	20,455	16,790	-	7,992	23,976	92,959
Balance, end of year	$ 83,741	$ 164,953	$ 20,111	$ 598,571	$ 381,856	$ 23,976	$ 1,273,208
Deferred exploration costs							
Balance, beginning of year	$ 892,135	$ 2,271,260	$ 632,011	$ 363,755	$ 717,624	$ -	$ 4,876,785
Incurred during the year:	971	1,388,752	603,094	2,800	93,519	142,439	2,231,575
Sub-total	893,106	3,660,012	1,235,105	366,555	811,143	142,439	7,108,360
Recoveries	-	(1,388,752)	(555,252)	-	-	-	(1,944,004)
Balance, end of year	$ 893,106	$ 2,271,260	$ 679,853	$ 366,555	$ 811,143	$ 142,439	$ 5,164,356
Total Other Mineral Properties	$ 976,847	$ 2,436,213	$ 699,964	$ 965,126	$ 1,192,999	$ 166,415	$ 6,437,564

(1) 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 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.

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. Total expenditures incurred by JOGMEC to August 31, 2011 amounted to approximately $2.9 million (August 31, 2010 - $2.2 million).

(ii) Other

During 2009, the Company acquired by application 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 Waterberg project area on the far Northern Limb of the Bushveld Complex.

In October 2009, the Company entered an agreement with JOGMEC and Mnombo Wethu Consultants CC ("Mnombo") whereby JOGMEC may earn up to a 37% interest in the Waterberg project for an optional work commitment of $3.1 million (US$3.2 million) over 4 years, while at the same time in exchange for matching JOGMEC's expenditures on a 26/74 basis, Mnombo may earn a 26% interest in the project. If required the Company has agreed to loan Mnombo their first $87,838 in project funding and the Company and JOGMEC may assist Mnombo to acquire commercial loans to fund their ongoing requirements, or may choose to allow Mnombo to defer those costs against their share of future proceeds from the project. Total expenditures incurred by JOGMEC to August 31, 2011 amounted to approximately $900,000 (August 31, 2010 – $555,252).

The Sable Joint Venture project, also acquired in 2009, is west of Pretoria along the trend of the south eastern part of the Western Limb. The project is under agreement to a black economic empowerment group for a 26% interest and Sable Platinum Mining (Pty) Limited (“Sable Platinum”) as to a 51% interest in exchange for Sable Platinum funding approximately $6.0 million (R 42.0 million) in work on the project. The Company is the operator of the project. Total expenditures incurred by Sable Platinum to August 31, 2011 amounted to approximately $800,000. (August 31, 2010 – approx. $12,000)

(2) Ontario, Canada

The Company maintains a large mineral rights position in the Lac des Iles area north of Thunder Bay as a strategic holding against increasing prices for palladium and platinum. These holdings include 100% interests in the Lac Des Iles River and Shelby Lake properties and are all subject to a 2.0% NSR royalty. In most cases, the Company may buy back one half of the NSR.

Lac des Isle New Staking

During the year ended August 31, 2011, the Company incurred $324,910 in staking costs for new properties in the Lac des Isle camp.

Bark Lake

On February 10, 2011 the Company acquired a right to earn up to a 75% interest in Benton Resources Corp’s ("Benton") Bark Lake platinum-palladium project, comprised of 19 mineral claims totaling 3,884 hectares located approximately 120 km west of Thunder Bay, Ontario. To earn a 70% interest the Company must make staged option payments of $145,000 in cash ($35,000 paid) and 215,000 shares (nil issued to date) and complete $1,625,000 in exploration over a 7 year period. As of August 31, 2011, the Company has spent $260,570 towards exploration. The Company may earn a further 5% (75% total) by completing a pre-feasibility study.

(3) 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.

5. PROPERTY, PLANT AND EQUIPMENT

	August 31, 2011		
	Cost	Accumulated Amortization	Net Book Value
Land	$ 14,051,553	$ -	$ 14,051,553
Buildings	4,610,167	116,242	4,493,924
Mining Equipment	1,686,010	20,509	1,665,501
Computer equipment and software	939,845	537,739	402,106
Furniture and fixtures	230,193	125,545	104,648
Vehicles	218,907	108,004	110,903
	$ 21,736,675	$ 908,040	$ 20,828,635

	August 31, 2010		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment and software	$ 512,682	$ 387,025	$ 125,657
Buildings	38,641	31,457	7,184
Furniture and fixtures	266,643	137,140	129,503
Vehicles	82,447	35,374	47,073
	$ 900,413	$ 590,996	$ 309,417

In August 2010 the Company purchased surface rights covering 1,713 hectares overlaying the area of Project 1, including accommodation facilities, for R 130.0 million ($18.8 million). This purchase has been recorded as property, plant and equipment in the land and building classes. The buildings will be amortized over their useful life.

6. ASSET HELD FOR SALE

During 2008, the Company acquired two rock winders at a cost of R 16.6 million (approx. $2.3 million). After the purchase, mine designs excluded the use of shafts and winders. During the year ended August 31, 2010 the Company sold one winder for US $1.28 million (approx. $1.3 million). The second winder continues to be held for sale.

7. ASSET RETIREMENT OBLIGATION

The Company has estimated the net present value of its total asset retirement obligations at August 31, 2011 to be $645,369 (August 31, 2010 – $Nil), based on a total future liability of approximately R 8.0 million (August 31, 2010 – $Nil). These payments are expected to be made at the end of the mine life. A discount rate of 7.96% and an inflation rate of 5.3% were used to calculate the present value of the asset retirement obligation.

8. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value

(b) Issued and outstanding

At August 31, 2011, there were 177,584,542 shares outstanding.

During the year ended August 31, 2011:

a. The Company closed a bought deal financing for 70.15 million shares, including a 15% over-allotment right fully exercised by the underwriters, at a price of $2.05 per share for gross proceeds of $143,807,500. The underwriters received a commission of 5.5% of the gross proceeds from the entire offering. The Company also paid other issue costs of $532,439.

b. 936,500 stock options were exercised for proceeds of $1,464,280.

c. 12,533,250 purchase warrants were exercised for proceeds of $21,933,187.

During the year ended August 31, 2010:

(i) 1,149,125 stock options were exercised for proceeds of $1,154,199.

During the year ended August 31, 2009:

(ii) the Company closed a brokered private placement on June 16, 2009 of 24,999,300 units for gross proceeds of $35,002,020 at a price of $1.40 per unit. Each unit consisted of one common share and one-half of one common share purchase warrant. Of the gross proceeds $29,713,103 was assigned to the common shares issued and $5,288,917 to the warrants. Each whole warrant entitles the holder to purchase one additional common share at an exercise price of $1.75 until December 16, 2010. The Company paid the underwriters a fee of $2,100,121 representing 6% of the aggregate gross proceeds of the offering. The Company also paid other issue costs of 746,681.

(iii) the Company closed a non-brokered private placement in October 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. The Company also paid other issue costs of $117,148.

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

(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, 2011	Weighted Average Remaining Contractual Life (Years)	Number Exercisable at August 31 2011
1.40	972,000	2.95	972,000
1.60	1,037,000	2.13	1,037,000
1.85	100,000	0.03	100,000
2.05	4,154,000	4.71	4,054,000
2.10	2,777,500	4.24	2,777,500
2.20	50,000	4.27	50,000
2.30	100,000	2.42	-
2.36	250,000	2.36	100,000
2.41	100,000	4.46	100,000
2.57	840,000	0.68	840,000
4.15	150,000	1.15	150,000
4.40	720,000	1.15	720,000
	11,250,500	3.51	10,900,500

The weighted average exercise price of the exercisable options at year end was $2.19.

	Number of Shares	Exercise Price
Options outstanding at August 31, 2009	6,149,625	$ 2.04
Exercised	(1,149,125)	1.00
Options outstanding at August 31, 2010	5,000,500	2.28
Granted	7,691,500	2.04
Exercised	(936,500)	1.56
Forfeited	(505,000)	2.71
Options outstanding at August 31, 2011	11,250,500	$ 2.19

During the year ended August 31, 2011 the Company granted 7,691,500 stock options (August 31, 2010 – Nil). The Company recorded $8,642,425 ($6,910,305 expensed and $1,740,315 capitalized to mineral properties), of compensation expense relating to stock options vested in this period (August 31, 2010 - $164,895 ($137,600 expensed and $27,295 capitalized to mineral properties).

The Company uses 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 ended August 31, 2011:

Risk-free interest rate	2.19
Expected life of options	3.54
Annualized volatility	84%
Dividend rate	0.00%

(d) *Share purchase warrants*

During the year ended August 31, 2009, 12,537,150 purchase warrants were issued at $1.75 as a part of the placement on June 16, 2009 as described above. These warrants had an expiry date of December 16, 2010. All 4,419,900 of the warrants had been exercised as of August 31, 2011. There are no other warrants outstanding.

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 meet its strategic objectives. The capital structure of the Company consists of share capital, 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 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, 2011, 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*

(i) *Amounts receivable*

Total credit risk is limited to the carrying amount of amounts receivable.

(ii) *Cash and cash equivalents*

In order to manage credit and liquidity risk we invest only in term deposits with Canadian Chartered and South African banks that have maturities of three months or less. A South African Bank Rand account held in the United Kingdom is used for holding Rand denominations only, and is controlled entirely by the Company. Deposit limits are also established based on the type of investment, the counterparty and the credit rating.

(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, accounts receivable, amounts due to Wesizwe, 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. At August 31, 2011, based on this exposure a 10% strengthening/weakening in the Canadian dollar versus Rand foreign exchange rate would give rise to an increase/decrease in income for the year presented of approximately $6.2 million. At August 31, 2011, the company held approximately R 594.0 million cash.

(d) Interest rate risk

The Company's interest income earned on cash and cash equivalents and on short term investments is exposed to interest rate risk. At August 31, 2011, based on this exposure a 1% change in the average interest rate would give rise to an increase/decrease in the earnings for the year of approximately $1.12 million.

11. RELATED PARTY TRANSACTIONS

Transactions with related parties are as follows:

(a) During the year, $855,228 (2010 - $679,121, 2009 - $385,967) was paid to non- independent directors for salary, consulting and bonus. At August 31, 2011, $37,081 was included in accounts payable (2010 - $8,000, 2009 - $45,308) and $15,739 was included in accounts receivable (2010 - Nil, 2009 - Nil).

(b) During the year, $91,000 (2010 - $88,000, 2009 - $75,000) was paid to independent directors for directors fees and services. At August 31, 2011, $15,000 was included in accounts payable (2010 - Nil, 2009 - Nil).

(c) The Company received $Nil (2010 - $64,347, 2009 - $135,895) during the year from MAG Silver Corp. (“MAG”), a company with three directors in common. Amounts receivable at the end of the year include an amount of $Nil (2010 - $Nil, 2009 - $4,408) due from MAG. MAG terminated its service agreement with the Company on December 31, 2009.

(d) During the year the Company accrued or received payments of $102,000(2010 - $46,750, 2009 - $Nil) from West Kirkland Mining Inc. (“WKM”), a company with three directors in common, for administrative services. Amounts receivable at the end of the year includes an amount of $ 18,852 (2010 - $12,235, 2009 - $Nil).

(e) During the year the Company accrued or received payments of $126,000 (2010 - $59,500, 2009 - $Nil) from Nextraction Energy Corp. (“NE”), a company with three directors in common, for administrative services. Amounts receivable at the end of the period includes an amount of $65,107 (2010 – $23,854, 2009 - $Nil).

(f) The Company has an office lease agreement with Anthem Works Ltd. (“Anthem”), a company with a director in common. During the year ended August 31, 2011 the Company accrued or paid Anthem $86,844 under the office lease agreement (2010 - $86,879, 2009 - $86,849). At August 31, 2011, $339 was included in accounts payable (2010 - Nil, 2009 – Nil.)

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 in Canada and South Africa total approximately $400,000 to August 31, 2015. The Company also has commitments for Project 1 related insurance coverage totaling approximately $436,000 over the next 3 years.

The Company’s project operating subsidiary Maseve has entered into a long term electricity supply agreement with South African power utility, Eskom. Under the agreement the Company was provided with a 1.5MVA temporary power supply in July 2011 and is to be provided with a 10 MVA construction power supply in mid calendar 2012 and a total 40 MVA production power supply in late calendar 2013 in exchange for connection fees and guarantees totaling Rand 142.22 million ($19.87 million at August 31, 2011) to fiscal 2014. The Company has paid R 51.71 million ($7.22 million at August 31, 2011), therefore R 90.51 million ($12.65 million at August 31, 2011) of the commitment remains outstanding.

For the fiscal years ending on August 31, the aggregate commitments are as follows:

August 31, 2012	$ 9,010,813
August 31, 2013	4,384,472
August 31, 2014	182,679
August 31, 2015	73,718
August 31, 2016	14,584
	$ 13,666,266

13. SUPPLEMENTARY CASH FLOW INFORMATION

Net change in non-cash working capital

	Year Ended Aug. 31, 2011	Year Ended Aug. 31, 2010	Year Ended Aug. 31, 2009
Amounts receivable	$ 574,565	$ (273,146)	$ (253,844)
Accounts payable and other	(225,721)	667,327	(101,457)
	$ 348,844	$ 394,181	$ (355,301)

14. SEGMENTED INFORMATION

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

Assets

	August 31, 2011	August 31, 2010
Canada	**$ 37,190,343**	$ 5,592,110
South Africa	**249,522,779**	121,398,893
	$ 286,713,122	$ 126,991,003

Substantially all of the Company's capital expenditures are made in the South African geographical segment, however the Company also has exploration properties in Canada.

Results of Operations

	Year Ended Aug. 31, 2011	Year Ended Aug. 31, 2010	Year Ended Aug. 31, 2009
Canada	**$ (10,848,560)**	$ (1,980,397)	$ (5,478,509)
South Africa	**(1,368,366)**	28,640,571	(1,484,875)
	$ (12,216,926)	$ 26,660,174	$ (6,963,384)

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:

	2011	2010
Statutory tax rates	**27.17%**	29.00%
Recovery of income taxes computed at statutory rates	**$ 3,600,639**	$ (11,960,605)
Non-deductible expenses	**(1,903,023)**	(334,692)
Change in valuation allowance and other	**(116,466)**	(2,267,991)
Income tax recovery (expense)	**1,581,150**	(14,563,288)
Comprising:		
Current income tax expense	**(487,263)**	-
Future income tax recovery (expense)	**2,068,413**	(14,563,288)

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

	2011	2010
Future income tax assets		
Operating loss carryforwards	**$ 6,384,063**	$ 4,850,326
Property, plant and equipment	**75,975**	59,274
Mineral properties	**674,606**	270,235
Share issuance costs	**2,012,779**	486,782
	9,147,423	5,666,617
Valuation allowance on future income tax assets	**(9,147,423)**	(5,666,617)
	$ -	$ -
Future income tax liability		
Mineral properties	**(21,452,782)**	(21,822,522)
	$ (21,452,782)	**$ (21,822,522)**

At August 31, 2011, the Company has unrecognized non-capital loss carry forwards available to offset future taxable income in Canada of $25 million, which expire at various dates from 2011 to 2031.

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, 2011		Aug. 31, 2010
Total assets under Canadian GAAP	$	286,713,122	$	126,991,003
Decrease in mineral properties due to expensing of exploration costs in WBJV (a)		(13,841,701)		(13,841,701)
Decrease in mineral properties due to expensing of exploration costs (b)		(6,235,420)		(5,164,356)
Decrease in mineral properties on reorganization of WBJV (c)		(8,088,816)		(8,088,816)
Total assets under US GAAP	$	258,547,185	$	99,896,130
Total liabilities under Canadian GAAP	$	28,080,218	$	24,092,530
Decrease in future income taxes on reorganization of WBJV (c)		(6,688,168)		(6,688,168)
Total liabilities under US GAAP	$	21,392,050	$	17,404,362
Non controlling interest under Canadian GAAP	$	11,695,298	$	11,149,482
Decrease in non controlling interest on reorganization of the WBJV (c)		(5,823,079)		(5,823,079)
Non controlling interest under US GAAP		5,872,219		5,326,403
Shareholders' equity under Canadian GAAP		246,937,606		91,748,991
Cumulative mineral properties adjustment for WBJV (a)		(16,885,686)		(16,885,686)
Cumulative mineral properties adjustment (b)		(6,235,420)		(5,164,356)
Cumulative translation adjustment (a)		3,043,985		3,043,985
Cumulative changes on reorganization of WBJV (c)		4,422,431		4,422,431
Shareholders' equity under US GAAP		231,282,916		77,165,365
Total liabilities and shareholders' equity under US GAAP	$	258,547,185	$	99,896,130

Consolidated Statements of Operations

	Year ended August 31, 2011	Year ended August 31, 2010	Year ended August 31, 2009	Cumulative from March 16, 2000 to August 31, 2011 (unaudited)
Net income (loss) under Canadian GAAP	**$ (12,216,926)**	$ 26,660,174	$ (6,963,384)	$ (19,878,667)
Mineral property costs written off	**-**	-	-	4,101,556
Adjustment for exploration expenditures incurred in WBJV (a)	**-**	-	-	(18,470,466)
Increase in gain on sale of WBJV Project #2 (c)	**-**	1,874,529	-	1,874,529
Exploration expenditures (b)	**(1,041,562)**	(287,571)	(231,797)	(10,307,474)
Future income taxes - marketable securities (d)	**-**	288,750	(152,550)	-
Future income taxes - stock based compensation (e)	**(29,502)**	-	-	(1,457,345)
Difference in future income taxes due to reorganization of WBJV (c)	**-**	4,422,431		(9,754,733)
Other historical differences	**-**	-	-	673,605
Net income (loss) under US GAAP	**$ (13,287,990)**	$ 32,958,313	$ (7,347,731)	$ (53,218,995)
Basic income (loss) per common share under US GAAP	**$ (0.08)**	$ 0.35	$ (0.10)	
Diluted income (loss) per common share under US GAAP	**$ (0.08)**	$ 0.35	$ (0.10)	

Consolidated Statements of Cash Flows

	Year ended August 31, 2011	Year ended August 31, 2010	Year ended August 31, 2009	Cumulative from March 16, 2000 to August 31, 2011 (unaudited)
Operating activities				
Operating activities under Canadian GAAP	**$ (5,895,136)**	$ (6,712,240)	$ (5,418,738)	$ (33,488,464)
Deferred exploration (a)(b)	**(1,041,562)**	(287,571)	(231,797)	(28,724,090)
Operating activities under US GAAP	**$ (6,936,698)**	$ (6,999,811)	$ (5,650,535)	$ (62,212,554)
Financing activities				
Financing activities under Canadian and US GAAP	**$ 158,763,116**	$ 1,154,199	$ 39,744,939	$ 251,868,029
Investing activities				
Investing activities under Canadian GAAP	**$ (90,233,141)**	$ (25,041,508)	$ (3,140,387)	$ (152,184,557)
Deferred exploration (a)(b)	**1,041,562**	287,571	231,797	28,724,090
Investing activities under US GAAP	**$ (89,191,579)**	$ (24,753,937)	$ (2,908,590)	$ (123,460,467)

(a) *Investment in WBJV*

Under Canadian and US GAAP the Company accounted for its working interest in the WBJV as an investment in the WBJV. Under Canadian GAAP these expenditures were 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 were deferred under US GAAP, subsequent to September 1, 2008.

(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 properties 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 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) *Reorganization of WBJV* On April 22, 2010, the partner of the WBJV completed a reorganization of the WBJV (refer to Note 4). Under U.S GAAP, the Company expensed exploration costs until September 1, 2008, resulting in cumulative differences between the carrying amount of the investment in WBJV between Canadian GAAP and U.S. GAAP. As a result of these differences, the accounting for the reorganization of the WBJV resulted in the following adjustments to reconcile from Canadian GAAP to U.S. GAAP:

- Gain on sale of WBJV Project #2
- Deferred income taxes arising on taxable temporary differences
- Non-controlling interest

(d) *Comprehensive Income*

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 accounted for marketable securities as available for sale financial instruments and carried 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 $288,750 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 $288,750 and recorded a future income tax recovery of $288,750 in the statement of operations. Under US GAAP, the adjustment to the valuation allowance would have been recorded to accumulated other comprehensive income. This amount was reversed in 2010 as the marketable securities were sold.

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, 2011	Year ended August 31, 2010	Year ended August 31, 2009
Net income (loss) under US GAAP	**$ (13,287,990)**	$ 32,958,313	$ (7,347,731)
Other comprehensive income (loss):			
Unrealized gain on marketable securities	**-**	-	1,017,002
Realized gain on marketable securities	**-**	(1,925,002)	-
Translation adjustment	**-**	58,378	108,145
Comprehensive net income (loss) under US GAAP	**$ (13,287,990)**	$ 31,091,689	$ (6,222,584)

(e) *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.

(f) Impact of Recent United States Accounting Pronouncements

(i) ASU 2010-06, *Fair Value Measurements and Disclosures (Topic 820), Improving Disclosures about Fair Value Measurements* (amending ASC 820)

The amended ASC 820 requires entities to provide new disclosures and clarify existing disclosures relating to fair value measurements. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in Level 3 fair value measurements, which are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. The adoption of ASU 2010-06 is not expected to have a material impact on the Company's financial position or results of operations.

(ii) ASU 2010-13, *Compensation-stock compensation (Topic 718) Effect of Denominating the Exercise Price of a Share-based Payment Award in the Currency of the Market in Which the Underlying Equity Currency Trades.*

ASU 2010-13 addresses the classification of a share-based payment award with an exercise price denominated in the currency of a market in which the underlying equity security trades. Topic 718 is amended to clarify that a share-based payment award with an exercise price denominated in the currency of a market in which a substantial portion of the entity's equity securities trades shall not be considered to contain a market, performance, or service condition. Therefore, such an award is not to be classified as a liability if it otherwise qualifies as equity classification. The amendments in this update would be effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010. The adoption of ASU 2010-13 is not expected to have a material impact on the Company's financial position or results in operations.

(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:

	(Unaudited) Period from March 16, 2000 (inception) to August 31, 2011
Exploration expenditures incurred in WBJV	$ 18,470,466
Exploration expenditures	10,307,474
Gain on sale of WBJV Project #2	(47,494,273)
Change in FIT	9,060,857
General administrative, salaries and other	46,848,293
Ending deficit, August 31, 2011	$ 37,192,817

Consolidated cash flows:

Operating activities	$ (63,406,587)
Investing activities	(123,460,467)
Financing activities	251,868,029
Effect of foreign exchange on cash	(882,044)
Cash and cash equivalents - August 31, 2011	$ 64,118,931

Unaudited	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 to acquire 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

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 gain 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
Issued on exercise of stock options	1,848,807	-	-	(694,608)	-	-	1,154,199
Stock options granted	-	-	-	164,895	-	-	164,895
Translation adjustment	-	-	-	-	58,378	-	58,378
Realized gain on AFS securities	-	-	-	-	(1,925,002)	-	(1,925,002)
Net Income	-	-	-	-	-	32,958,313	32,958,313
Balance, August 31, 2010	91,794,123	-	(289,903)	9,937,596	(371,624)	(23,904,827)	77,165,365
Issuance of common shares for cash	135,365,649						135,365,649
Issued on exercise of stock options	1,932,401			(468,121)			1,464,280
Issued on exercise of warrants	27,220,459			(5,287,273)			21,933,186
Stock options granted				8,642,425			8,642,425
Net Income	-	-	-	-	-	(13,287,990)	(13,287,990)
Balance, August 31, 2011	256,312,632	-	(289,903)	12,824,627	(371,624)	(37,192,817)	231,282,915

17. SUBSEQUENT EVENTS

The following events occurred subsequent to year end. These events and other non-material subsequent events may be mentioned elsewhere in these financial statements:

a) In September 2011, the Company purchased the Providence Nickel, Copper, Cobalt and Platinum Group Metals Property from Arctic Star Exploration (Arctic Star) for a payment of $50,000 and a 1.0% NSR royalty. The claims that comprise the Providence property will be brought to lease once a crown survey has been completed in 2012 at an estimated cost of $100,000. To date the first year lease payment and application fees have been paid. Total acquisition costs were $78,216.

The camp and associated Land Use Permit will be purchased for an additional $20,000 once The Company has re-activated the corporate registration in the Northwest Territories. An extension has been granted by the Northwest Territories Mining Recorder for the completion of the survey of the claims to lease until September 28, 2012.

b) Subsequent to year end, JOGMEC completed the 2011 drilling program at Warsprings. JOGMEC indicated they do not plan to fund further work on this project.

c) The Company has agreed to acquire 49.9% of Mnombo. The Company will pay Mnombo R 1.2 million (US$150,000) and has agreed to fund Mnombo’s 26% share of costs on the Project to feasibility. The Company will therefore hold 37% of Waterberg directly and a further 12.97 % indirectly, through Mnombo, for a total of 49.97%.

d) On November 15, 2011, the Company granted 4,154,000 incentive stock options to its employees at a price of $1.30 per share.

e) On October 31, 2011, 50,000 incentive stock options were forfeited.

PLATINUM GROUP METALS

PLG:NYSE AMEX
PTM:TSX

Platinum Group Metals Ltd.
(Exploration and Development Stage Company)
Supplementary Information and MD&A
For the year ended August 31, 2011

This Management's Discussion and Analysis is prepared as of November 21, 2011

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

MANAGEMENT DISCUSSION AND ANALYSIS

This management discussion and analysis ("MD&A") of Platinum Group Metals Ltd. ("Platinum Group", the "Company" or "PTM") is dated as of November 21, 2011 focuses on the Company's financial condition and results of operations for the three and twelve months ended August 31, 2011 and should be read in conjunction with the Company's audited consolidated financial statements for the year ended August 31, 2011 together with the notes thereto (the "Financial Statements").

The Company prepares its financial statements in accordance with generally accepted accounting principles in Canada ("Canadian GAAP"). All dollar figures included therein and in the following MD&A are quoted in Canadian Dollars unless otherwise noted.

PRELIMINARY NOTES

NOTE REGARDING FORWARD-LOOKING STATEMENTS:

This MD&A and the documents incorporated by reference herein contain "forward-looking information and "forward-looking statements" within the meaning of applicable Canadian and US securities legislation (collectively, "forward-looking statements"). All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will, may, could or might occur in the future (including without limitation, statements regarding estimates and/or assumptions in respect of production, revenue, cash flows and costs, estimated project economics, mineral resource and mineral reserve estimates, potential mineralization, potential mineral resources and mineral reserves, projected timing of possible production, the Company's exploration and development plans and objectives with respect to its projects are forward-looking statements.

These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements in respect of capital costs, operating costs, production rate, grade per tonne and smelter recovery are based upon the estimates in the Updated Feasibility Study (defined below) and the forward-looking statements in respect of metal prices and exchange rate are based upon the three year trailing average prices and the assumptions contained in the Updated Feasibility Study.

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual events or results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual events or results were realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events of the Company to differ materially from current expectations include, among other things: metals price volatility; additional financing requirements; economic and political instability; the ability to obtain and maintain necessary permits; fluctuations in the relative values of the Canadian Dollar as compared to the South African Rand and the United States Dollar; the ability of the Company to purchase the necessary surface rights for its mineral properties; property title risks including defective title to mineral claims or property; the mineral exploration industry is extremely competitive; South African foreign exchange controls may limit repatriation of profits; the Company's designation as a "passive foreign investment company"; discrepancies between actual and estimated reserves and resources, between actual and estimated development and operating costs, between actual and estimated metallurgical recoveries and between estimated and actual production; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, South Africa or other countries in which the Company does or may carry out business in the future; success of exploration activities and permitting timelines; the speculative nature of mineral exploration, development and mining, including the risks of obtaining necessary licenses and permits; exploration, development and mining risks and the inherently dangerous nature of the mining industry, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, mine collapses, cave-ins or flooding and the risk of inadequate insurance or inability to obtain insurance to cover these risks and other risks and uncertainties; the Company's limited experience with development-stage mining operations; the Company has a history of losses; most of the Company's properties contain no proven reserves; the ability of the Company to retain its key management employees; conflicts of interest; dilution through the exercise of outstanding options and warrants; share price volatility and no expectation of paying dividends; any disputes or disagreements with the Company's joint venture partners; socio economic instability in South Africa or regionally; the Company's land in South Africa could be subject to land restitution claims; any adverse decision in respect of the Company's prospecting or future mining rights and projects in South Africa; the introduction of South African State royalties where the Company's current mineral reserves are located; and the other risks disclosed under the heading "Risk Factors" in the Company's annual information form ("AIF") dated November 21, 2011 which is available electronically at www.sedar.com .

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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 exists, 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.

1. DESCRIPTION OF BUSINESS

Platinum Group Metals Ltd. 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 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’s complement of staff, consultants and casual workers in both Canada and South Africa currently consists of approximately 30 individuals. A further six people have been appointed as the owner’s team for the Project 1 Platinum Mine (“Project 1”) in South Africa. Engineering, Procurement and Construction Management, (“EPCM”) provider, DRA Mining Pty Ltd. (“DRA”) has assigned approximately 30 people to the project. Civil and underground mining contractors currently have approximately 300 people working on site at Project 1. General office space and support services in Canada and South Africa are being maintained at similar levels in 2011 as compared to 2010, but at Project 1, existing facilities at the Sundown Ranch property owned by the Company have been renovated to handle mine site administration, site induction and staff services. An information technology and communication upgrade is also underway in Canada and South Africa to enhance the efficiency of data transmission within the Company. The upgrade is near completion.

2. PROPERTIES

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.

The Company evaluates the carrying value of its property interests on a regular basis. Any properties management deems to be impaired are written down to estimated fair market value or are written off. During the period there were no material write-offs in deferred costs relating to South African or Canadian projects. For more information on mineral properties, see below and Note 4 of the Company's Financial Statements.

SOUTH AFRICA PROPERTIES

The Company conducts all of its South African exploration work through its 100% owned subsidiary, Platinum Group Metals RSA (Pty.) Ltd. ("PTM RSA"). Development of Project 1 is conducted through Maseve Investments 11 (Pty.) Ltd. ("Maseve"), a company owned 74% by PTM RSA and 26% by Black Economic Empowerment company Africa Wide Mineral Prospecting and Exploration (Pty) Limited ("Africa Wide"), which is in turn owned 100% by JSE listed Wesizwe Platinum Limited ("Wesizwe").

Project 1 and 3

Project 1- Financial Overview

The Company completed a definitive feasibility study ("FS") in July 2008 and an updated feasibility study dated November 20, 2009 entitled "Updated Technical Report (Updated Feasibility Study) Western Bushveld Joint Venture (Elandsfontein and Frischgewaagd) ("UFS") in October 2009 with respect to Project 1, which was at that time a portion of the Western Bushveld Joint Venture ("WBJV") in South Africa. Included in each study is a declaration of four element or "4E" reserve ounces of combined platinum, palladium, rhodium and gold at the time of publication.

The Base Case for the UFS was modeled using 3 year trailing metal prices at September 2009, including US$1,343 per ounce platinum, an exchange rate of 8 Rand to the US Dollar and a 10% discount rate, resulting in a pre-tax net present value of US $475 million for the project on a 100% of project basis. Applying a 5% discount rate resulted in a pre-tax net present value of US $981 million on a 100% of project basis. The UFS model does not include escalation of costs or metal prices due to inflation. The Base Case also calculated a strong Internal Rate of Return "IRR" (pretax) of 23.54% .

The UFS estimated average life-of-mine cash operating costs to produce concentrate at R525 (approximately US$65.63) per tonne of ore or R4,208 (approximately US$526) per 4E ounce. 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 to September 2009) and US$1,025 (prices recent to September 2009). The UG2 layer represents the balance of modeled production. The UG2 basket price per 4E ounce was modeled at US$1,433 (3 year trailing prices to September 2009) and US$1,068 (prices recent to September 2009). The model includes a subsequent average 15.16% discount from the metal price to estimate the smelter pay discount.

The project, as described in the UFS, has an estimated life of 22 years with 9 years at steady state production of 234,000 to 300,000 4E ounces per year. Capital costs for the mine and concentrator 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, both at an exchange rate of 8 Rand to the USD.

Currently, management believes the general outline of project implementation and timing is appropriate taking into account a delay to the effective project start from the dates in the UFS due to the time required to complete the restructuring of the WBJV (the "Restructuring") and the two phase approach to development now being employed. Phase 1 development is underway, while Phase 2 of development will be dependent upon the grant of a final mining authorization, the completion of a concentrate off-take agreement and the arrangement of a commercial debt facility for the project, all three of which are currently in process.

In December 2010, the Company approved the $100 million Phase 1 budget for the development of twin central declines into the Project 1 deposit. The Company has committed $74 million against its 74% share of this budget. Phase 1 included the purchase of surface rights and facilities at a cost of R 130.0 million (approximately $18.81 million). The remainder of the Phase 1 budget is to be applied for surface and earth works, including pads, lay down areas, a box cut, twin decline access and limited level development. Work completed under Phase 1 is a component of the estimated US$443 million peak funding to build Project 1. In April 2011 the board of Maseve approved a disbursement from Maseve of $6.2 million (Rand 43 million) to cover reimbursement to PTM for past costs and value engineering.

Project 1 - Activities in the Current Year

During the year ended August 31, 2011, the Company incurred exploration, engineering and development costs of $23.14 million for Projects 1 and 3 and invested approximately $20 million of property, plant and equipment towards the development of Project 1. In the prior year's comparative period, this property was held in a joint venture arrangement and engineering and development costs for the Company's account was $0.9 million.

In October 2010, the Company appointed Mr. Thys Uys, a Professional Engineer with more than 21 years of management experience in project feasibility and implementation in South Africa, as the Company's representative and project manager for development of the Project 1. An owner's team consisting of people who previously worked with Mr. Uys on large scale mining construction projects has also been appointed, including a dedicated quantity surveyor for cost engineering services, contract and capital control administrators and a permitting consultant responsible for the Company's Environmental Impact Assessment and Management Plan.

In December 2010, the Company appointed DRA as EPCM contractor for surface infrastructure and underground development. DRA has assigned approximately 30 full time professionals to oversee and plan the execution of the development of surface infrastructure, power delivery, water delivery, civil works and excavations and the development of underground tunnels to access ore during Phase 1 construction. DRA's scope of work includes engineering, design, construction management, administration and cost and schedule control.

In late March 2011, the Company received a positive record of decision from the Department of Mineral Resources of the Government of South Africa ("DMR") for its detailed underground development plans and environmental management program, including the taking of a bulk sample. The consent of the DMR requires compliance with underlying regulations related to health, safety and environment. The final mining right application and social and labour program for Project 1 was filed in April 2011 and was later accepted for processing by the DMR. Application in terms of the National Environmental Management Act (NEMA) was also accepted by the DMR. An update to the public participation process, including project publication, placement of notices and public meetings with local government and interested and affected parties is underway.

During February, March and April 2011, the Company conducted approximately 16,850 metres of infill drilling on the near surface portions of the Project 1 platinum deposit in order to move resource blocks from the indicated to measured level of confidence and to gain more detailed information for metallurgical, geotechnical, mine planning and scheduling purposes. As a result of this work, refinements to the scheduled mining during the first three or four years of the planned Project 1 mine life of both UG2 and Merensky Reef tonnage are currently being modeled and implemented. New geo-statistical information resulting from the latest borehole data, combined with the modified modeling, mine planning and scheduling, could result in changes to the reported reserves and resources. During the execution of the development plan, changes to the estimated capital cost for the development of the Project 1 Platinum Mine may occur.

Civil construction for Phase 1 of Project 1 began in May 2011, with the mobilization of civil contractor Wilson Bailey Holmes ("WBH"), who is responsible for major surface infrastructure excavation and construction. An expenditure for civil construction of R 23.62 million (approximately $3.3 million) has been incurred to August 31, 2011 from a commitment of R35.6 million (approximately $5.09 million). The box cut excavation was completed in mid-September. WBH executed the first undercut blasts to commence underground development in October. WBH remains on site and is currently working to complete surface infrastructure.

In July 2011, JIC Mining Services ("JIC") of Johannesburg, South Africa was awarded the contract to develop the twin 1,200 meter underground decline tunnels into the center of the Project 1 platinum deposit. JIC took over underground development from WBH in mid-October. JIC is operating as one of the underground mining contractors at the producing Bafokeng Rasimone Platinum Mine immediately adjacent to the Project 1 and currently operates as underground mining contractor on another six platinum mines and one chrome mine in South Africa, employing 7,200 people. JIC has a good safety record and have invested in an accredited training facility near Project 1. Total primary underground development cost for Phase 1 based on the JIC contract is estimated at R 206.85 million (approximately $28.90 million on August 31, 2011), resulting in an estimated cost per unit for underground development below the estimate in our Updated Feasibility Study. An initial pre-payment of R 25.0 million (approximately $3.50 million) was released to JIC after JIC provided an appropriate form of performance guarantee. A further retention amount of R 20.69 million ($2.90 million) was released to JIC approximately ten days later. JIC will be paid according to progress invoicing as work is completed over approximately seventeen months. Phase 1 is currently about 55% to 60% complete, is on budget and within a 10 to 12 weeks of being on time.

Ancillary servicing for the site including, buildings, piping, cabling, fencing and security have been initiated for a commitment of approximately R14.4 million (approximately $2.06 million.) A temporary power supply of 1.5MVa has been installed on site and has been energized. A 10 MVa supply line is slated for completion and connection in 2012. Permanent power service for the remaining 30 MVa is being designed and engineered by Eskom to be supplied in 2013. The Company has paid Eskom R 51.71 million ($7.22 million at August 31, 2011) of an R 142.22 million (approximately $20.32 million) commitment for delivery of power.

The Company has entered into an agreement with regional water supplier, Magalies, for a temporary 0.5 ML/day water supply and have expended R 2.0 million (approximately $0.29 million). The construction of this supply is complete. The agreement for permanent water supply of 6 ML/day is being finalized and service is slated to be provided by 2013.

The Company has committed to Wrap-around Liability and Course of Construction insurance for Project 1 for a three year estimated cost of approximately $440,000. Additional insurance will be required for Phase 2 construction and mine operation. During fiscal 2011, the Company completed a comprehensive risk assessment for Project 1 with the assistance of an international insurance broking firm.

The Company has contracted the services of an experienced and professional HR company, Requisite Business Solutions ("RBS"), to provide site and office human resources, organization design and planning services to Project 1. RBS specializes in the mining industry, and their team of Professional Engineers, Psychologists and Practitioners has an intimate understanding of organization design & development, including knowledge of the applied legislation, mining techniques and associated labour practices. RBS has assisted the Company to complete a Local Skills Assessment in six communities to help identify candidates for leadership and staff positions as per the Company's Social and Labour Plan and Human Resources Development obligations. Community members have already been hired and more are currently undergoing medicals, training and induction.

Project 1 - Mineral Resources and Reserves

The Company provided a statement of reserves for Project 1 in the Updated Feasibility Study and an updated statement of resources for Project 1 in a NI 43 101 technical report dated November 20, 2009 entitled "An Independent Technical Report on Project Areas 1 and 1A of the Western Bushveld Joint Venture (WBJV) Located on the Western Limb of the Bushveld Igneous Complex, South Africa" (the "Project 1 Report"). An updated NI 43 101 technical report dated August 31, 2010 entitled "Technical Report on Project 3 Resource Cut Estimation of the Western Bushveld Joint Venture (WBJV) Located on the Western Limb of the Bushveld Igneous Complex, South Africa" (the "Project 3 Report") was filed with respect to Project 3. Project 1 hosts an estimated 2.801 million measured four element or "4E" ounces of platinum, palladium, rhodium and gold, 5.361 million indicated 4E ounces and 0.047 million inferred 4E ounces. Project 3 hosts an estimated 1.939 million indicated 4E ounces and 0.076 million inferred 4E ounces. Of the resources stated above for Project 1, there are 1.756 million 4E ounces categorized as proven reserves and 2.91 million 4E ounces categorized as probable reserves. The Company holds a 74% interest in the 4E ounces attributable to Project 1 and Project 3 as described above. New geo statistical information and ongoing mine design parameters resulting from recent infill borehole data, combined with modified modeling, mine construction steps and scheduling being completed at the time of writing of this MD&A, could result in changes to the reported reserves and resources for Project 1.

Additional information regarding grades, prill splits, sampling and reserve and resource calculations can be found in the technical reports described above as filed on SEDAR at www.sedar.com and on EDGAR at www.sec.gov .

Reserves are a sub-set of measured and indicated resources included in the UFS and take into account mining factors and are not in addition to the resources.

Project 1 - Infrastructure and Metal Recovery

The UFS 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 blended feed. The Merensky Reef is the target of initial mining because of its higher grade and low chrome content. The concentrator has been designed and costed in the UFS based on a treatment rate 160,000 tonnes per month, rather than on 140,000 tonnes per month as in the FS. 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. Additional metallurgical study is under way at the time of writing in order to refine the Company's data in advance of formal off take negotiations.

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

Project 1 - History of Acquisition

On October 26, 2004, the Company entered into the WBJV with a subsidiary of Anglo Platinum Limited ("Anglo") and Africa Wide to pursue platinum exploration and development on combined mineral rights that would eventually cover approximately 72 square kilometres on the Western Bushveld Complex of South Africa. 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.

Also, in 2004, the Company acquired the surface rights to the 365.64 hectares Elandsfontein farm and its underlying mineral rights. The Elandsfontein mineral titles were transferred to project operating company, Maseve on April 22, 2010 while the surface rights, valued at half of the original acquisition cost, remain under title to the Company.

During 2008, the Company purchased surface rights adjacent to the Project 1 deposit area measuring 216.27 hectares for R 8.0 million (approximately $1.09 million) and the Company also acquired surface rights directly over a portion of the Project 1 deposit area measuring 358.79 hectares for a total of R 15.69 (approximately $2.14 million). The rights and title to the above two properties remain with the Company.

Based on the WBJV resource estimate contained in the FS, and under the terms of the original WBJV agreement, on April 22, 2010 the Company paid an equalization amount due to Anglo in the amount of $ 24.83 million (R 186.26 million).

Also on April 22, 2010, the partners of the WBJV completed the restructuring, a transaction dissolving the WBJV and reorganizing its underlying assets. Wesizwe acquired all of Anglo's mineral interests underlying the WBJV, retained Anglo's interests to Project 2, and then transferred all of Anglo's interests underlying Projects 1 and 3 into project operating company Maseve. The Company transferred its interests in the mineral rights underlying Projects 1 and 3 into Maseve, and rescinded its interests in Project 2 to Wesizwe. As a result Wesizwe retained 100% of Project 2 and Maseve obtained 100% of Projects 1 and 3.

In exchange for its 18.5% interest in Project 2 the Company effectively received a 17.75% interest in Maseve. The Company also received a 37% interest in exchange for its share of Projects 1 and 3, bringing its holdings in Maseve to 54.75% . Wesizwe received a 45.25 % initial interest in Maseve.

The sale of the Company's 18.5% interest in Project 2 was accounted at an estimated fair value of $65.42 million on April 22, 2010, versus an historic cost of $19.80 million, for a gain of $45.62 million. The transfer of the Company's 37% interest in Projects 1 and 3 into Maseve was accounted for as a reorganization of existing business and was transferred into Maseve at book cost.

The Company acquired a further 19.25% interest in Maseve in exchange for subscriptions in the amount of approximately $59 million as of January 14, 2011 (R 408.81 million), thereby increasing its shareholding to 74%. The subscription funds are held in escrow for application towards Wesizwe's 26% share of expenditures for Projects 1 and 3.

After the WBJV Restructuring, the Company carries total deferred costs related to Projects 1 and 3 of $133.4 million at August 31, 2011. The non-controlling interest related to Wesizwe's 26% holding of Maseve is recorded at $11.7 million as of August 31, 2011.

In August 12, 2010 the Company acquired surface rights covering 1,713 hectares, including accommodation facilities overlaying the area of the planned Project 1 Platinum Mine, for approximately $18.8 million (R 130.0 million). The Company has assigned this property to Maseve and the purchase price was part of the Phase 1 development budget for Project 1 as described above.

Other South Africa Properties

Exploration expenditures during the year on projects in South Africa other than Project 1 and Project 3 totaled $1.68 million (2010 - $1.99 million). Cost recoveries during the period in the amount of $1.69 million (2010 -$1.94 million) were received from joint venture partners.

Northern Limb, Bushveld - War Springs and Tweespalk Properties

In March 2008, the Company reported an inferred resource on a 100% basis of 1.676 million ounces 3E (platinum, palladium and gold) at a grade of 1.11 g/t with a minor credit for copper and nickel. Additional information regarding grade, prill splits, sampling and resource calculations can be found in NI 43-101 technical report dated June 18, 2009 entitled "Revised Inferred Mineral Resource Declaration War Springs (Oorlogsfontein 45K2), Northern Limb Platinum Property, Limpopo Province, Republic of South Africa" (the "War Springs Report") filed on SEDAR and on EDGAR at www.sec.gov .

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. Of the 22 boreholes drilled to February 2006, and which were used in the resource calculation, 15 boreholes intersected the "B" Reef and 8 boreholes intersected the "C" Reef. A total of 9,926 samples were taken for analysis. Drilling results from Phase 1 and 2 covering approximately 2,200 metres of strike length on 250 metre spacing, combined with a review of economic cut-off, form the basis of the updated Inferred Mineral Resource estimate reported in the War Springs Report. Since March 2009 a total of 17,222 metres of drilling in 20 boreholes have been completed on the War Springs project with JOGMEC funding. Total expenditures incurred by Japan Oil, Gas and Metals National Corporation ("JOGMEC") to August 31, 2011 on War Springs amounted to approximately $2.9 million. Subsequent to year end the 2011 drilling program was completed and JOGMEC indicated that they do not plan to fund further work on this project.

Black Economic Empowerment groups Africa Wide, a subsidiary of Wesizwe, 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. Africa Wide also holds a 30% participating interest in the Tweespalk property. The Company retains a net 70% project interest in both the War Springs and the Tweespalk properties.

Sable Joint Venture, South Africa

During 2009, the Company acquired by staking various prospecting permits west of Pretoria along the trend of the south eastern part of the Western Limb. The territory, named the Sable Joint Venture project area, is under agreement to a black economic empowerment group for a 26% interest and Sable Platinum Mining (Pty) Limited ("Sable") as to a 51% interest in exchange for Sable funding approximately $6.0 million (R 42.0 million) in work on the project. Exploration work consisting of mapping, soil sampling, geophysical surveys and drilling has been undertaken to date. Drilling is underway at the time of writing. Results will be released in the months ahead. To the time of writing a total of 4,134 metres have been drilled in 5 boreholes on the project area. The Company is the operator of the project. Total cumulative expenditures incurred by Sable Platinum to August 31, 2011 amounted to approximately R 5.8 million ($0.8) million.

Waterberg Venture, South Africa

During September 2009, the Company was granted prospecting rights for a 137 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 private South African Black Economic Empowerment firm, Mnombo, 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 confirmed this interpretation. Drilling in early 2011 confirmed the presence of BIC sequences and results announced on November 9, 2011 confirmed the presence of two PGE bearing zones or reefs with significant values. Reported drill intercepts included 3.47 g/t platinum, palladium and gold (2 PGE+Au) over 3.5 meters and 7.00 g/t 2PGE+Au over 5.0 meters at vertical depth of approximately 660 meters. At the time of writing assay values for these intercepts for rhodium, copper and nickel remained outstanding. Drilling on the Waterberg Project continued in November 2011 with two drill rigs and at the time of writing the Company is planning to deploy another two rigs in order to accelerate the project.

In October 2009, the Company entered an agreement with JOGMEC and Mnombo whereby JOGMEC may earn up to a 37% interest in the Waterberg project for an optional work commitment of US$3.2 million over 4 years, while at the same time Mnombo is required to match JOGMEC's expenditures on a 26/74 basis. If required, the Company agreed to loan Mnombo their first $87,838 in project funding. To the time of writing, a total of 3,331 metres have been drilled in 2 completed boreholes and 2 boreholes underway on the project area. The Company is the operator of the project. Total cumulative expenditures incurred by JOGMEC to August 31, 2011 amounted to approximately R 6.4 million ($0.89 million) and to October 31, 2011 JOGMEC had funded approximately R 6.85 million ($0.92 million).

On November 7, 2011 the Company entered into an agreement with Mnombo whereby the Company will acquire 49.9% of the issued and outstanding shares of Mnombo in exchange for a cash payment of R 1.2 million and for the Company paying for Mnombo's 26% share of Waterberg Project costs to feasibility. When combined with the Company's 37% direct interest in the Waterberg Project (after JOGMEC earn-in), the 12.974% indirect interest to be acquired through Mnombo will bring the Company's project interest to 49.974% .

Canadian Properties

Mineral property acquisition and capital costs deferred during the year on projects in Canada totaled $0.35 million (2010 - $0.03 million). Exploration costs incurred in the year for Canadian properties totaled $1.05 million (2010 - $0.24 million). The Company hired a Canadian exploration manager at the beginning of January 2011 to run these exploration programs.

Lac des Iles - Thunder Bay North Properties, Ontario

The Company maintains a large mineral rights position in the Lac des Iles – Thunder Bay North area, Ontario as a strategic holding against increasing prices for palladium and platinum. Included in these holdings are claims staked in early 2011 and continued 100% interests in the Lac Des Iles River, Shelby Lake and South Legris properties, all subject to 2.0% NSR royalties, which the Company may buy back.

The Company's Canadian exploration program was active in the period and 12 new properties have been acquired in the Thunder Bay Mining District, Ontario. The acquired ground covers at total of 532 square kilometers, bringing the company's holdings in the Lac des Iles – Thunder Bay North region to 657 square kilometers. The majority of these new properties were acquired by staking, utilizing in-house compilation and modeling of geophysics, geochemistry and work completed by the company in the area over the past 10 years. In addition, the Company retains a majority interest in the 73 square kilometre Agnew lake property near Sudbury, Ontario.

The properties acquired in the current period by the Company include a right to earn up to a 75% interest in Benton Resources Corp's ("Benton") Bark Lake platinum-palladium project, comprised of 19 mineral claims totaling 3,884 hectares located approximately 120 km west of Thunder Bay, Ontario. To earn a 70% interest the Company must make staged option payments of $145,000 in cash ($35,000 paid) and 215,000 shares (none issued to date) and complete $1,625,000 in exploration ($242,800 complete to August 31, 2011) over a 7 year period. The Company may earn a further 5% (75% total) by completing a pre-feasibility study.

All of the newly acquired properties In the Thunder Bay District are targeted on a new mineralization type in younger intrusive rocks where contained platinum is equal or greater than palladium. Platinum Group's older projects are targeted on older intrusive rock types like that at North American Palladium's Lac des Iles Mine where palladium is the dominant platinum group metal, or "PGM". Historically, North American deposits have been dominated by palladium rather than rarer and more valuable platinum. Some new exploration in the Thunder Bay area has demonstrated previously unexplored potential for platinum in pipe like intrusions or conduits. Platinum Group plans to be a major participant in exploration for this new deposit type in this area.

The Company is currently conducting exploration programs on all the Lac des Iles - Thunder Bay District properties. Prospecting, geophysical surveys, soil and rock chip sampling, mapping and drilling have all been part of the 2011 work program. Three of the 100% owned properties and the Bark Lake Option were drill tested based on airborne geophysical survey results, geological ground work, geochemistry and compilation of historic data. A total of 2,759 metres have been drilled in 13 holes to date.

Northwest Territories Property

The Company has purchased the Providence Nickel, Copper, Cobalt and Platinum Group Metals Property from Arctic Star Exploration (Arctic Star) for a payment of $50,000 and a 1.0% NSR royalty. The claims that comprise the Providence property will be brought to lease once a crown survey has been completed in 2012 at an estimated cost of $100,000. To date the first year lease payment and application fees have been paid. Total acquisition costs for the period are $78,216.

The camp and associated Land Use Permit will be purchased for an additional $20,000 once the Company has re-activated the corporate registration in the Northwest Territories. An extension has been granted by the Northwest Territories Mining Recorder for the completion of the survey of the claims to lease until September 28, 2012.

Exploration costs incurred during the period at Providence were $9,200 and include research and a site visit. The property is comprised of 13 mineral claims totaling 133.66 square kilometres and is located approximately 70 km west of the Diavik Diamond Mine, NWT. The property covers approximately 20 kilometers of a recently recognized belt of mafic to ultramafic rocks that is host to the first discovery of magmatic Copper-Nickel-Cobalt-Platinum Group Metals, “Cu-Ni-Co-PGM” massive sulphide mineralization in the Slave Craton. Drilling by Arctic Star has shown that the Ni-Cu-Co-PGM mineralization is hosted within, and at the base of the ultramafic flow/intrusive sill sequence. The dimensions of the massive sulphide mineralization defined to date ranges in thickness from 0.3m to 5.0m and exceeds 450 m strike length and 150 m (vertical) depth. The mineralized horizons remain open along strike in either direction and to depth.

The Company is currently compiling the large amount of data supplied by Arctic Star and will be drill testing any un-tested targets derived from the compilation work as well as planning a step out drill program to define the extents of known Ni-Cu-Co-PGM mineralized zone. Work on the property will commence in the Spring of 2012.

3. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

A) Results of Operations

Three Months Ended August 31, 2011

For the three months ended August 31, 2011, the Company incurred a net loss before taxes of $3.12 million (August 31, 2010 – $1.73 million). General and administrative expenses totaled $1.8 million (August 31, 2010 - $1.8 million). The current year’s costs aren’t materially different than the comparative period as the Company has maintained the same level of corporate staff and utilized similar consulting services compared to the same period last year. Stock based compensation expenses totaled $0.31 million (August 31, 2010 - $Nil). Stock options were not issued during the 2010 comparative period. Foreign exchange loss during the period was $2.7 million (August 31, 2010 – loss $0.1 million). The loss in the current period resulted from the decreased value of the Rand and its impact on the cash balances held in Rand and an intercompany loan to a South African subsidiary denominated in CAD. Interest earned in the fourth quarter totaled $1.8 million versus $0.009 million in the comparative three month period in 2010.The increase in interest earned is due to greater cash holdings.

Twelve Months Ended August 31, 2011

Any reference to "period" hereafter refers to the twelve months ended August 31, 2011.

During the year, the Company incurred a net loss before taxes $13.25 million (2010 – income of $41.2 million). The net income in 2010 was primarily due to the disposition of the Company's 18.5% interest in Project 2 of the WBJV to Wesizwe on April 22, 2010 for a gain on disposition of $45.62 million and an accrual for future income tax expense related to the transaction of $14.58 million. The accrual for future income tax expense is a non-cash item. A future income tax recovery was recorded in 2011 for $2.07 million, primarily relating to the Company's mineral property expenditures. In 2010, the Company also realized a gain of $2.80 million on sale of marketable securities.

General and administrative expenses totaled $6.53 million (August 31, 2010 - $6.54 million). The current year's costs aren't materially different from the comparative period as the Company has maintained the same level of corporate staff and utilized similar consulting services compared to the same period last year. Stock based compensation expenses totaled $6.90 million (2010 - $0.14 million). Stock options were not issued during the 2010 comparative period; therefore the only stock-based compensation recorded for 2010 was resulting from the vesting of stock options issued in prior periods. The Company issued 7,691,500 stock options in 2011 of which 350,000 stock options are unvested. Foreign exchange loss during the year was $3.34 million (August 31, 2010 – loss $1.0 million). The loss in the current period resulted from the decreased value of the Rand and its impact on the cash balances held in Rand and an intercompany loan to a South African subsidiary denominated in CAD. Interest earned in the year totaled $3.8 million (2010 - $0.44 million).The increase in interest earned is due to greater cash holdings.

Annual Financial Information

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, 2011	Year ended Aug 31, 2010	Year ended Aug 31, 2009
Interest income	$ 3,785,298 (1)	$ 442,142 (1)	$ 139,548
Net (loss) income	($12,216,926) (2)	$26,660,174 (2)	($6,963,384)
Basic (loss) earnings per share	($0.07) (3)	$0.29 (3)	($0.10)
Diluted earnings (loss) per share	($0.07) (3)	$0.28 (3)	($0.10)
Total assets	$286,713,122 (4)	$126,991,003 (4)	$67,070,797
Long term debt	Nil	Nil	Nil
Dividends	Nil	Nil	Nil

Explanatory Notes:

(1) The Company's only significant source of income during the years ending August 31, 2009 to 2011 was interest income 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) In the year ended August 31, 2010, the Company recorded net income of $26.66 million. This was primarily due to gains of $2.80 million on sale of marketable securities and $45.62 million on the deemed sale for accounting purposes of an 18.5% interest in Project 2 of what was the WBJV. A $14.58 million future income tax charge was also associated with this gain.

(3) 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.

(4) Total assets had been increasing year-on-year primarily as a result of the Company's increasing cash balance and continued investment in mineral properties funded by completion of private placement equity financings. At August 31, 2011 the Company held $64.12 million (2010 - $2.37 million; 2009 - $32.97 million) in cash and cash equivalents. The Company's cash balance at August 31, 2011 was higher than in prior years due to equity financings completed in October and November, 2010.

Quarterly Financial Information

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

Quarter Ending	Interest & Other Income (1)	Net (Loss) Income (2)	Net Basic (Loss) Earnings per Share
August 31, 2011	$1,805,073	($1,823,756)	($0.01)
May 31, 2011	$1,084,648	($2,072,031)	($0.01)
February 28, 2011	$730,640	($3,982,628)	($0.02)
November 30, 2010	$164,937	($4,338,511)	($0.03)
August 31, 2010	$9,352	($4,140,280)	($0.04)
May 31, 2010	$220,145	$31,183,948	$0.33
February 28, 2010	$177,201	($975,747)	($0.01)
November 30, 2009	$35,444	$592,253	$0.01

Explanatory Notes:

(1) The Company earned interest income from interest bearing accounts held by the Company. The amount of interest income earned correlates directly to the amount of cash on hand during the period referenced. Quarterly interest income was higher in 2011 than in past years due to higher cash balances on hand.

(2) Net income (loss) by quarter is often materially affected by the timing and recognition of large non-cash income, expense or write-off charges. The quarter ended August 31, 2011 included a foreign exchange loss of $3.37 million due to the increased value of the South African Rand and an accrual for a future income tax recovery of $2.07 million related to mineral property expenditures. The quarter ended May 31, 2011 included a non-cash charge for stock based compensation in the amount of $2.9 million. The quarter ended November 30, 2010 included a non-cash charge for stock based compensation in the amount of $3.5 million. The quarter ended May 31, 2010 included a non-cash realized gain for the deemed sale for accounting purposes of the Company's 18.5% interest in Project 2 of the WBJV at an estimated fair market value of $45.6 million and a future income tax expense accrual for $11.9 million. The quarter ended November 30, 2009 included a non-cash charge for stock based compensation in the amount of $0.14 million, and a non- cash gain realized on marketable securities of $2.1 million. After adjusting out these non-cash charges, the results for the quarters listed show a more consistent trend, with a general growth in expenses over time in accordance with the Company's increased exploration, development and corporate activities over the past several years as described above at "Discussion of Operations and Financial Condition".

B) 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.

C) Trend Information

Other than the financial obligations as set out in the table provided at Item f) 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. 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 through debt financing, by issuance of securities, or by a sale or partnering of project interests in order to meet its ongoing cash requirements. See discussions at item 3. a) "Results of Operations" above and at item f). "Liquidity and Capital Resources" below.

D) Related Party Transactions

During the period the Company provided accounting, secretarial and reception services at market rates for day-to-day administration and accounting to Nextraction Energy Corp. ("Nextraction"), a company with three common directors (R. Michael Jones, Frank Hallam and Eric Carlson). Fees received have been credited by the Company against its own administrative costs. The Company received service fees of $126,000 (2010 - $59,500) during the period from NE.

During the period the Company provided accounting, secretarial and reception services at market rates for day-to-day administration and accounting to West Kirkland Mining ("WKM"), a company with three common directors (R. Michael Jones, Frank Hallam and Eric Carlson) and two common officers (R. Michael Jones and Frank Hallam). Fees received have been credited by the Company against its own administrative costs. The Company received service fees of $102,000 (2010 - $46,750) during the period from WKM.

Until early 2010 the Company provided accounting, secretarial and reception services at market rates for day-to-day administration to MAG Silver, a company with three common directors (R. Michael Jones, Frank Hallam, Eric Carlson). Fees received have been credited by the Company against its own administrative costs. The Company received service fees of $Nil (2010 - $64,347) during the period from MAG.

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 (Eric Carlson). During the period the Company accrued or paid Anthem $86,844 under the office lease agreement (2010 - $86,879).

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.

E) Off-Balance Sheet Arrangements

The Company does not have any special purpose entities nor is it party to any arrangements that would be excluded from the balance sheet.

F) Liquidity and Capital Resources

Accounts receivable at year end totaled $1.9 million (2010 - $1.3 million) being comprised mainly of value added taxes and transfer duties refundable in South Africa. Accounts payable at period end totaled $5.5 million (2010 - $2.3 million). The increase in accounts payable in 2011 compared to 2010 is due to increased expenditures on the development of Project 1.

Apart from net interest earned on cash deposits during the year of $3.79 million (2010 - $0.44 million), the Company had no sources of income. The Company's primary source of capital has been from the sale of equity. At August 31, 2011 the Company had cash and cash equivalents on hand of $64.12 million compared to $2.37 million at August 31, 2010. Cash increased during the period primarily due to a bought deal financing in November 2010 for gross proceeds of $143.81 million. At August 31, 2011 the Company held a further $47.72 million (2010 - $Nil) classified as restricted cash in project operating company Maseve in escrow for Wesizwe. Wesizwe holds 26% of Maseve and the escrowed funds can be accessed for project expenditures at a ratio of 74:26, where for every $74 spent by the Company, $26 can be removed from escrow to cover Wesizwe's share of costs. To August 31, 2011 a total of $11.0 million (2010 – nil) has been withdrawn from escrow against Wesizwe's share of project expenditures.

During the year, the Company issued a total of 83,619,750 (2010 – 1,149,125) common shares for net cash proceeds of $158.76 million (2010 - $1.15 million). Included in this total, in October and November of 2010 the Company closed a bought deal financing and an over-allotment option for gross proceeds of $143.81 million on the issue of 70.15 million shares. Issue costs, including a 5.5% commission to the Agents and their legal costs, totaled $8.44 million. Cash proceeds from equity issuances are primarily spent on mineral property and surface right acquisitions, exploration and development as well as for general working capital purposes. The balance of cash outflows is made up of management and consulting fees and salaries, and other general and administrative expenses.

In January 2011, the Company used proceeds from equity issuances to acquire a further 19.25% interest in Maseve for subscriptions in the amount of R 408.8 million (approximately $59 million as of January 14, 2011), thereby increasing the Company's shareholding in Maseve to 74%. According to the terms of the April 22, 2010 re-organization of the WBJV, this subscription amount was placed into escrow in Maseve in order to fund Wesizwe's 26% ongoing share of project costs. The Company is also funding its 74% share of a Phase 1 development budget for Project 1 of $100 million into Maseve.

The Company receives lump sum cash advances at various times as laid out in agreed budgets from its partners to cover the costs of joint venture projects.

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 payments are included in explanatory notes to 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.

Payments by period in Canadian Dollars	Total	< 1 Year	1 – 3 Years	3 – 5 Years	> 5 Years
Payments (War Springs & Tweespalk) (1)	$ 72,915	$ 14,583	$ 29,166	$ 29,166	$ -
Lease Obligations	406,238	130,790	216,313	59,135	-
Eskom–Power (2)	12,640,885	8,452,435	4,188,450	-	-
Insurance contracts	435,890	302,667	133,223	-	-
Other miscellaneous	110,338	110,338	-	-	
Totals	**$ 13,666,266**	**$ 9,010,813**	**$ 4,567,152**	**$ 88,301**	**$ -**

Explanatory Notes:

(1) The Company pays annual prospecting fees to the vendors of US$3.25 per hectare. The Company has the option to settle the vendors' residual interests in these mineral rights at any time for US$690 per hectare.

(2) The Company's project operating subsidiary Maseve has entered into a long term electricity supply agreement with South African power utility Eskom. Under the agreement the Company is scheduled to receive connection and service for a 10 MVa construction power supply in 2012 and a total 40 MVa production power supply in later calendar 2013 in exchange for connection fees and guarantees totaling Rand 90,508,735 ($12,640,885 at August 31, 2011).

Cash at August 31, 2011 is sufficient to fund the estimated general and development operations of the Company for calendar 2011 and into the first quarter of 2012, but will be insufficient to complete construction of the mine at Project 1. On August 2, 2011 the Company announced the appointment of four international commercial banks to the role of mandated lead arrangers for the placement of a USD $260 million project finance loan, representing approximately 60% of the estimated Project 1 capital cost requirements. The October 2009 UFS estimated a capital cost to build the Project 1 at US $443 million on a 100% basis at a rate of 8 Rand to the US Dollar. The banks have all received preliminary credit committee approval for the loan and are currently in process of completing loan documentation and due diligence. The project financing is planned to include a USD $25.0 million working capital facility. Completion of the project financing will be subject to certain items, including the completion of an off take agreement and the formal grant of a mining right from the Government of South Africa. The Company anticipates the probable need for additional equity funding for the project from the Company in 2012, depending on USD to Rand exchange rates and the actual costs to complete Phase 1 of the project.

G) Outstanding Share Data

The Company has an unlimited number of common shares authorized for issuance without par value. At August 31, 2011, there were 177,584,542 common shares outstanding, 11,250,500 incentive stock options outstanding at exercise prices of $1.40 to $4.40. At November 21, 2011, there were 177,584.542 common shares outstanding and 15,364,500 incentive stock options outstanding. Subsequent to August 31, 2011, nil common share purchase options were exercised. During the period ending August 31, 2011, the Company made no changes to the exercise price of outstanding options through cancellation and reissuance or otherwise.

4. 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 is 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 most significant risks and uncertainties faced by the Company are: the inherent risk associated with mineral exploration and development activities; the uncertainty of mineral resources and their development into mineable reserves; uncertainty as to potential project delays from circumstances beyond the Company’s control; the timing of production; title risks; political risks; risks associated with fluctuations in foreign exchange rates; risks associated with fluctuations in metal prices; risks associated with joint venture agreements and the possible failure to obtain mining licenses and/or to obtain the capital required for project and mine development.

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.

Additional funding may be required

The Company may not have sufficient cash resources on hand to meet all of the Company's future financial requirements relating to the exploration, development and operation of the Company's projects. The Company will require additional financing from external sources, such as joint ventures, debt financing or equity financing in order to meet certain requirements and carry out the future development of the Company's projects and external growth opportunities. The success and the pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions at that time. There can be no assurance that such financing will be available to the Company or, if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, this may have a depressive effect on the price of the Company's securities and the interests of shareholders in the net assets of the Company may be diluted. Any failure by the Company to obtain required financing on acceptable terms could cause the Company to delay development of its material projects and could have a material adverse effect on the Company's financial condition, results of operations and liquidity.

Metal prices affect the success of the Company's business

Metal prices have historically been subject to significant price fluctuations in recent years. 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, all of the Company's properties are in the exploration stage and no known reserves have been discovered on such properties. At this stage, favourable 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 herein 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. Amendments to the mine plans and production profiles may be required as the amount of resources changes or upon receipt of further information during the implementation phase of the project.

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 national, provincial, territorial and local governmental authorities. In particular, the Company must obtain a water use licence and mining right for Project 1 and an environmental impact assessment must be completed 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.

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 the Company, its directors and officers, and the experts named herein may be limited due to the fact that the Company is incorporated outside of the United States, a majority of such directors, officers, and experts reside outside of the United States and their assets are located outside the United States. There is uncertainty as to whether foreign courts would: (i) enforce judgments of United States courts obtained against the Company or such person predicated upon the civil liability provisions of the United States federal securities laws, or (ii) entertain original actions brought in foreign courts against the Company or such persons predicated upon the federal securities laws of the United States, as such laws may conflict with foreign laws.

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 local communities;
- labour 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. 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 effect 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 should the Company place a mineral property into production.

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

Apart from income for the year ended August 31, 2010 of $26.66 million, the Company has a history of losses. Net losses in 2011 were $11.67 million and a $7.0 million loss was recorded in the year ended August 31, 2009. At August 31, 2011, the Company had an accumulated deficit of $19.78 million. 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 the Updated Feasibility Study indicates a positive economic model for Project 1, there is no certainty that the Company will succeed in placing that project into production in the near future, if at all. The Company used $5.90 million in cash for operating purposes in 2011, $6.71 million in cash for operating purposes in 2010 and $5.42 million in cash for operating activities in 2009. The Company used $90.23 million in cash for investing activities in 2011, $25.02 million for investing activities in 2010 and $3.13 million in 2009. Historically, the only source of funds available to the Company has been through the sale of its equity securities, interest revenue 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 the Company's liabilities arising from normal business operations when they become due. External financing, predominately by the issuance of equity to the public, and by debt financing, will be sought to finance the Company's operations; however, there is no assurance that sufficient funds will be raised.

Most of the Company's properties contain no known reserves

Project 1 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 the Company to write-off the costs capitalized for that property in its Canadian GAAP financial statements. At August 31, 2011 deferred acquisition, exploration and development costs related to the Western Bushveld Complex totalled $138.56 million (2010 - $115.43 million and 2009 - $Nil) while all of the Company's mineral property interests outside of the WBC Project totalled $7.81 million (2010 - $6.4 million and 2009 -$6.0 million).

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 CFO 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, CEO and director is also a director of WKM, a public company with mineral exploration properties in Ontario and Nevada, a director of MAG Silver, a public company with silver properties in Mexico, and a director of Nextraction, a public company with oil properties in Kentucky, Wyoming, Nevada and Alberta. Frank Hallam, the Company's CFO and director, is also a director of MAG Silver, a director of WKM, a director of Lake Shore Gold Corp, and a director of Nextraction. Eric Carlson, a director of the Company, is also a director of MAG Silver, WKM and Nextraction. 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. Any conflicts which may arise will be dealt with as disclosed below. 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 the Company's financial position at that time.

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 price of the common shares on the TSX fluctuated from a high of $2.70 to a low of $1.26 and on the NYSE-A from a high of US $2.80 to a low of US $1.25 within the twelve month period preceding the date of this Prospectus. There can be no assurance that continual fluctuations in price will not occur.

The Company does not expect to pay dividends

The Company has not paid any dividends since incorporation and it has no plans to pay dividends for some time. The Company's directors will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time. All of the common shares are entitled to an equal share of any dividends declared and paid.

The Company's prospecting rights are subject to title risks

The Company's prospecting rights may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. The Company holds its interest in Project 1 and Project 3 through its holdings of Maseve, which company in turn holds 100% of the prospecting rights comprising Project 1 and Project 3. Although duly approved and issued, these prospecting rights are still in process of final title registration by the Government of the Republic of South Africa. These or other defects could adversely affect the Company's title to such properties or delay or increase the cost of the development of such prospecting rights.

Any disputes or disagreements with the Company's joint venture partners could materially and adversely affect the Company's business

PTM RSA is a party to a shareholders agreement with Africa Wide and Maseve related to the exploration and development of Project 1 and Project 3 (the " **Maseve Shareholders Agreement** "). Certain members of the management and boards of directors of Maseve are nominated by Wesizwe. Although the Company has majority control of Maseve and its board of directors, there is no assurance that the strategic direction of the WBC Project will always be consistent with the Company's objectives. Any change in the management or strategic direction of Wesizwe or one or more of the Company's other joint venture partners could materially and adversely affect the Company's business and results of operations. Additionally, if a dispute arises between the Company and a joint venture partner which cannot be resolved amicably, the Company may be unable to move its projects forward and may be involved in lengthy and costly proceedings to resolve the dispute, which could materially and adversely affect the Company's business and results of operations.

Socio-economic instability in South Africa or regionally may have an adverse effect on the Company's operations and profits

The Company has ownership interests in significant projects in South Africa. As a result, it is subject to political and economic risks relating to South Africa, which could affect an investment in the Company. South Africa was transformed into a democracy in 1994. The government policies aimed at redressing the disadvantages suffered by the majority of citizens under previous governments may impact the Company's South African business. In addition to political issues, South Africa faces many challenges in overcoming substantial differences in levels of economic development among its people. While South Africa features highly developed and sophisticated business sectors and infrastructure at the core of its economy, large parts of the population do not have access to adequate education, health care, housing and other services, including water and electricity.

The Company is subject to a number of South African statutes aimed at promoting the accelerated integration of historically disadvantaged South Africans, including the MPRDA, the *Broad-Based Black Economic Empowerment Act, 2003* (the " **BEE Act** ") and the *Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry* (the " **Charter** "). To ensure that the socio-economic strategies are implemented, the BEE Act provided for Codes of Good Practice issued by the South African Minister of Trade and Industry which specify empowerment targets consistent with the objectives of the BEE Act. The scorecard of the Mining Charter requires the mining industry's commitment of applicants in respect of ownership, management, employment equity, human resource development, procurement and beneficiation. The Charter also set out targets and criteria for broad-based black economic empowerment.

The Company cannot predict the future political, social and economic direction of South Africa or the manner in which government will attempt to address the country's inequalities. It is also difficult to predict the impact of addressing these inequalities on the Company's business. Furthermore, there has been regional, political and economic instability in countries north of South Africa. Such factors may have a negative impact on the Company's ability to own, operate and manage its South African mining projects.

The Company's land in South Africa could be subject to land restitution claims which could impose significant costs and burdens

The Company's privately held land could be subject to land restitution claims under the *South African Restitution of Land Rights Act 1994* (the " **Land Claims Act** "). Under the Land Claims Act, any person who was dispossessed of rights in land in South Africa as a result of past racially discriminatory laws or practices without payment of just and equitable compensation is granted certain remedies, including the restoration of the land against payment of the owner of compensation by the state. Under the Land Claims Act, persons entitled to institute a land claim were required to lodge their claims by December 31, 1998. The Company has not been notified of any land claims, but any claims of which it is notified in the future could have a material adverse effect on its right to the properties to which the claims relate and, as a result, on the Company's business, operating results and financial condition.

The *South African Restitution of Land Rights Amendment Act 2004* (the " **Amendment Act** "), became law on February 4, 2004. Under the Land Claims Act, the South African Minister for Agriculture and Land Affairs (the " **Land Minister** "), may not acquire ownership of land for restitution purposes without a court order unless an agreement has been reached between the affected parties. The Amendment Act, however, entitles the Land Minister to acquire ownership of land by way of expropriation either for claimants who do not qualify for restitution, or, in respect of land as to which no claim has been lodged but the acquisition of which is directly related to or affected by a claim, the acquisition of which would promote restitution to those entitled or would encourage alternative relief to those not entitled. Expropriation would be subject to provisions of legislation and the South African Constitution which provides, in general, for just and equitable compensation. There is, however, no guarantee that any of the Company's privately held land rights could not become subject to acquisition by the state without the Company's agreement, or that the Company would be adequately compensated for the loss of its land rights, which could have a negative impact on the Company's South African projects and therefore an adverse effect on its business and financial condition.

Any adverse decision in respect of the Company's mineral rights and projects in South Africa under the MPRDA could materially affect the Company's projects in South Africa

With the enactment of the MPRDA, the South African state became the sole regulator of all prospecting and mining operations in South Africa. All prospecting and mining licences and claims granted in terms of any prior legislation became known as the "old order rights". All prospecting and mining rights granted in terms of the MPRDA are "new order rights". All old order prospecting rights had to be lodged for conversion by May 1, 2006 and all old order mining rights had to be lodged for conversion by May 1, 2009.

A wide range of factors and principles must be taken into account by the South African Minister of Mineral Resources when considering applications for conversion of prospecting rights to mining rights. . These factors include the applicant's access to financial resources and appropriate technical ability to conduct the proposed prospecting or mining operations, the environmental impact of the operation and, in the case of prospecting rights and mining, considerations relating to fair competition. Other factors include considerations relevant to promoting employment and the social and economic welfare of all South Africans and showing compliance with the provisions regarding the empowerment of historically disadvantaged persons in the mining industry. The MPRDA also provides that a mining right granted under it may be cancelled if the mineral to which such mining right relates is not mined at an optimal rate. All of the Company's old order prospecting permits in respect of Project 1 and Project 3 have now been converted into new order prospecting rights and the mining right application is in process

If the Company does not comply with the MPRDA, the Company may be materially delayed or restricted from proceeding with its exploration activities, with the development of future mines and with potential mining operations.

The introduction of South African State royalties where all of the Company's current mineral reserves are located could have an adverse effect on the Company's results of operations and its financial condition

The *Mineral and Petroleum Resources Royalty Act* (the " **MPRRA** ") came into operation on May 1, 2009. The MPRRA provides for a minimum royalty rate of 0.5% and a maximum rate of 7% for unrefined product, and the royalty will be a tax deductible expense. The feasibility studies covering the Company's South African projects made certain assumptions related to the expected royalty rates under the MPRRA. If and when the Company begins earning revenue from its South African mining projects, and if the royalties under the MPRRA differ from those assumed in the feasibility studies, this new royalty could have a material and adverse impact on the economic viability of the Company's projects in South Africa, as well as on the Company's prospects, financial condition and results of operations.

There can be no assurance that an active market for the common shares will be sustained

Securities of mining companies have experienced substantial volatility in the past, and especially during the last couple of years, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also likely to be significantly affected by short-term changes in commodity prices, other precious metal prices or other mineral prices, currency exchange fluctuations, financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the performance of the Company that may have an effect on the price of the securities of the Company include the following: the extent of analytical coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of securities of the Company; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the securities of the Company that persists for a significant period of time could cause the Company's securities to be delisted from an exchange, further reducing market liquidity. If an active market for the securities of the Company does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Company may decline. As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

There will be dilution from further equity financings

In order to finance future operations, the Company may raise funds through the issuance of common shares or the issuance of debt instruments or other securities convertible into common shares. The Company cannot predict the size of future issuances of common shares or the size and terms of future issuances of debt instruments or other securities convertible into common shares or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the common shares. Any transaction involving the issuance of previously authorized but unissued shares, or securities convertible into common shares, would result in dilution, possibly substantial, to present and prospective security holders.

Management will have discretion concerning the use of cash resources as well as the timing of expenditures.

As a result, an investor will be relying on the judgment of management for the application of the cash resources of the Company. Management may use cash in ways that an investor may not consider desirable. The results and the effectiveness of the application of cash resources are uncertain. If cash resources are not applied effectively, the Company's results of operations may suffer.

5. OUTLOOK

At November 21, 2011, the Company's cash position was approximately $97 million.

Preparation of detailed banking documents for the senior loan facility with the mandated syndicate of banks is ongoing. The completion of this documentation, due diligence, hedging establishment and off take negotiations are now expected to be completed during Q1 and Q2 of calendar 2012. The formal mining right record of decision from the DMR is expected before the end of Q1 of calendar 2012.

In September 2011, a joint engineering study on potential synergies with the Jinchuan-Wesizwe platinum mine adjacent to the Project 1 mine site was commenced. Initial technical analysis from the independent engineers highlights complementary production profiles and the potential for significant capital and operational savings. The production profile of the Company's shallow Project 1 mine is scheduled to ramp up in 2014, while the Jinchuan-Wesizwe mine is scheduled to ramp-up from vertical shafts in 2018-2020. The synergy study specifically looks at sequencing and maximizing plant utilization of both Merensky and UG2 ore types from both mine areas at one location. Other advantages of a combined operation being considered include the efficient use of surface rights, tailings areas and production infrastructure. The synergy engineering study is expected to be completed in Q1 of calendar 2012.

Commencement of Phase 2 development will only begin after complete project financing is in place, off take agreements are executed and a formal mining right has been granted for Project 1. Phase 2 will include a second decline access south of the current twin decline development, underground lateral development, a milling and concentrating facility and tailings impoundment area.

Metallurgical studies have been completed and negotiations with several parties regarding concentrate off-take arrangements are underway. Anglo Platinum retains a 60 day right of first refusal to match the terms of any off take agreement which the Company intends to execute. The Company estimates that the completion of off take arrangements, including Anglo's 60 day right of first refusal, will be completed by Q2 of calendar 2012.

Following the completion of the UFS for Project 1 in October 2009, the Company completed further drilling, metallurgical work, mine design and cost estimation work. The Company has also incurred actual construction and property acquisition costs under the Phase 1 development program currently underway. Amendments to aspects of the UFS are in progress as expected during project implementation. Initial indicators, based on current implementation cost estimates, are that peak funding requirements for Project 1 have not changed materially from the UFS estimate. Current estimates of steady state production remain unchanged.

During 2011, a final mining right application, a social and labour program and an environmental impact assessment were filed for Project 1 and were officially accepted for processing by the DMR. The Company continues to work with the DMR to obtain a final mining authorization. A record of decision on the Company's application for a mining right is anticipated by early 2012.

The Company plans to continue working with joint venture partner funding to conduct exploration on the Waterberg and Sable projects. On November 9, 2011, the Company announced the discovery of new PGE bearing reefs at Waterberg. Exploration has since been accelerated by the Company and joint venture partner JOGMEC with 5 drilling rigs now active on the project.

In 2011, the Company approved a $2.0 million budget for exploration work on its Canadian properties located near Thunder Bay, Ontario. This work is currently underway. Geophysics, soil and chip sampling, mapping and drilling have been a part of the 2011 work program. To date, approximately $1.55 million of this budget has been expended. The Company plans to establish a new budget for Canadian exploration in 2012. Compilation work, modeling, budgeting and exploration planning is underway on the newly acquired the Providence Nickel, Copper, Cobalt and Platinum Group Metals Property. Work on the ground will commence in the NWT in the Spring of 2012

6. CRITICAL ACCOUNTING ESTIMATES

The preparation of our consolidated financial statements in conformity with generally accepted accounting principles requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities, as well as revenues and expenses. Our accounting policies are described in note 2 of our 2010 audited annual consolidated financial statements.

Review of asset carrying values and impairment

We regularly review the net carrying value of each mineral property for conditions that suggest impairment. This review requires significant judgment where we do not have any proven and probable reserves that would enable us to estimate future cash flows to be compared to the carrying values. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant decrease in the market price of the property; whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future and whether the company has the necessary funds to be able to maintain its interest in the mineral property.

Where we do have proven and probable reserves, the expected undiscounted future cash flows from an asset are compared to its carrying value. These future cash flows are developed from models using assumptions that reflect the long-term operating plans for an asset given our best estimate of the most probable set of economic conditions. Commodity prices used reflect market conditions at the time the models are developed. These models are updated from time to time, and lower prices are used should market conditions deteriorate. Inherent in these assumptions are significant risks and uncertainties.

Stock-based compensation

We provide compensation benefits to our employees, directors, officers and consultants through a stock option plan. The fair value of each option award is estimated on the date of the grant using the Black-Scholes option pricing model. Expected volatility is based on historical volatility of our share price. The risk-free rate for the expected term of the option is based on the Government of Canada yield curve in effect at the time of the grant.

Asset Retirement Obligations

The amounts recorded for asset retirement costs are based on estimates included in closure and remediation plans. These estimates are based on engineering studies of the work that is required by environmental laws. These estimates include an assumption on the rate at which costs may inflate in future periods. Actual costs and the timing of expenditures could differ from these estimates.

Income and Resource Taxes

The determination of our future tax liabilities and assets involves significant management estimation and judgment involving a number of assumptions. In determining these amounts we interpret tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of future tax assets and liabilities. We also make estimates of our future earnings which affect the extent to which potential future tax benefits may be used. We are subject to assessment by various taxation authorities, which may interpret tax legislation in a manner different from our view. These differences may affect the final amount or the timing of the payment of taxes. When such differences arise we make provision for such items based on our best estimate of the final outcome of these matters.

Determination of ore reserve and mineral resource estimates

The Company estimates its ore reserves and mineral resources based on information compiled by Competent Persons as defined by NI 43-101. Reserves determined in this way are used in the calculation of depreciation, amortization and impairment charges, and for forecasting the timing of the payment of close down and restoration costs. In assessing the life of a mine for accounting purposes, mineral resources are only taken into account where there is a high degree of confidence of economic extraction. There are numerous uncertainties inherent in estimating ore reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in reserves being restated. Such changes in reserves could impact on depreciation and amortization rates, asset carrying values and provisions for close down and restoration costs.

Determination of useful lives of property, plant and equipment

The Company uses the straight line method to depreciate property, plant and equipment, whereby depreciation is calculated using expected life of the asset or the life of mine. As noted above there are numerous uncertainties inherent in estimating ore reserves which is fundamental to the calculation of the life of mine.

7. INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Transition to IFRS from GAAP

In February 2008, the Canadian Accounting Standards Board confirmed that Canadian publicly accountable enterprises will be required to adopt International Financial Reporting Standards (“IFRS”) for financial periods beginning on and after January 1, 2011. The Company plans to adopt IFRS with an adoption date of September 1, 2011 and a transition date of September 1, 2010.

IFRS Conversion Plan

The Company’s IFRS conversion plan addresses matters including changes in accounting policies, IT and data systems, restatement of comparative periods, organizational and internal controls and any required changes to business processes. To facilitate this process and ensure the full impact of the conversion is understood and managed reasonably, the accounting staff has attended several training courses on the adoption and implementation of IFRS, as well as successfully converting a number of companies earlier in the year. Through in-depth training and detailed analysis of IFRS standards, the Company’s accounting personnel has obtained a thorough understanding of IFRS and possesses sufficient financial reporting expertise to support the Company’s future needs. The Company has also reviewed its internal and disclosure control processes and believes they will not need significant modification as a result of the conversion to IFRS. Further, the Company has assessed the impact on IT and data systems and has concluded there will be no significant impact to applications arising from the transition to IFRS.

IFRS 1 First-Time Adoption of International Financial Reporting Standards

Under IFRS 1 First-time Adoption of International Financial Reporting Standards, the IFRS are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under Canadian GAAP taken to retained earnings unless certain exemptions are applied. IFRS provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adopters. Set forth below are the applicable IFRS 1 optional exemption the Company expects to apply in the conversion from Canadian GAAP to IFRS.

a) Business Combinations

IFRS 1 permits the Company to apply IFRS 3 Business Combinations on a prospective basis only from the transition date. Therefore, the Company will not restate past business combinations to comply with IFRS 3, where control was obtained before the transition date.

b) Currency translation differences

Retrospective application of IFRS would require the Company to determine cumulative currency translation differences in accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, from the date a subsidiary or equity method investee was formed or acquired. IFRS 1 permits cumulative currency translation gains and losses to be reset to zero at the Transition Date. The Company elected to reset all cumulative currency translation gains and losses to zero in opening retained earnings at its Transition Date. This election will result in a reversal of historical cumulative translation adjustment of $3.2 million on transition.

Significant Accounting Policy Changes on Transition to IFRS

IFRS employs a conceptual framework that is similar to Canadian GAAP; however significant differences exist in certain matters of recognition, measurement and disclosure. While the adoption of IFRS will not change the cash flows of the Company, the adoption will result in changes to the reported financial position and results of operations of the Company. A summary of the significant accounting policy changes on transition to IFRS is provided below. These are preliminary estimates and are subject to change.

a) Foreign Currency

Under IAS 21, it is necessary to assess the functional currency of all the Company’s entities based on the primary economic environment in which the entity operates. In addition, secondary factors may also provide evidence of an entity’s functional currency. Once the functional currency is determined, it does not change unless there is a change in the underlying nature of the transactions and relevant conditions and events.

b) Future Income Taxes

Under Canadian GAAP, future income taxes are recognized on all temporary differences. Under IFRS (IAS21.22(b)) temporary differences are not recognized on transactions that do not impact the accounting profit or taxable profit. This accounting policy change resulted in an adjustment of the future income tax liability on transition and a corresponding decrease in the carrying value of resource properties.

c) Pre-Exploration Costs

Under IFRS, expenditures that are capitalized before the company has the legal right to explore the specific property must be expensed. CGAAP does not have the same restriction; therefore an adjustment is required on transition to expense pre-exploration costs which were capitalized under CGAAP. This accounting policy change will result in an increase to retained earnings and a corresponding decrease in the carrying value of resource properties on transition.

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 applicable securities legislation 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, 2011 through inquiry, review, and testing, as well as by drawing upon their own relevant experience. The Company has retained an independent third party specialist 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, 2011 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.

In recent years the Company has taken steps to improve segregation of duties and the authorization process through the addition of accounting personnel; reviewed and refined internal control processes; adopted and published new corporate governance policies; reviewed and improved general controls over information technology; and enhanced financial control over period close processes.

The Company's internal controls relating to complex non-routine transactions will, where the company believes necessary, include consultations with external experts to ensure that non-routine transactions are recorded and accounted for in accordance with GAAP.

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, 2011. Based on this evaluation, management has concluded that as at August 31, 2011, 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.

Changes in Internal Controls over Financial Reporting

During the year ended August 31, 2011, management has improved internal controls with the addition of personnel with the technical accounting expertise to ensure complex and non-routine transaction are recorded and accounted for in accordance with GAAP. This change has strengthened the Company’s internal control over financial reporting.

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 NYSE-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 for the period ending August 31, 2011 may be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov . Readers are encouraged to review the Company's audited annual consolidated financial statements for the year ended August 31, 2011 together with the notes thereto as well as the Annual Information Form for the Company's financial year ended August 31, 2011.

11. SUBSEQUENT EVENTS

Subsequent events of a non-material nature may be discussed elsewhere within this document. Details of a specific subsequent event is as follows:

a) In September 2011, the Company purchased the Providence Nickel, Copper, Cobalt and Platinum Group Metals Property from Arctic Star Exploration (Arctic Star) for a payment of $50,000 and a 1.0% NSR royalty. The claims that comprise the Providence property will be brought to lease once a crown survey has been completed in 2012 at an estimated cost of $100,000. To date the first year lease payment and application fees have been paid. Total acquisition costs were $78,216. (See page 11 for further details.)

b) Subsequent to year end, JOGMEC completed the 2011 drilling program at Warsprings. JOGMEC indicated they do not plan to fund further work on this project.

c) The Company has agreed to acquire 49.9% of Mnombo. The Company will pay Mnombo 1.2 million Rand (US$150,000) and has agreed to fund Mnombo's 26% share of costs on the Project to feasibility. The Company will therefore hold 37% of Waterberg directly and a further 12.97 % indirectly, through Mnombo, for a total of 49.97%. Mnombo is owned by Mr. Mlibo Mgudlwa. Mnombo has held an interest in Waterberg since 2009. On November 1, 2011 it was announced that Mr. Mgudlwa, a lawyer, was appointed as Vice President of Platinum Group Metals RSA Pty Ltd. The discovery at Waterberg was made after his appointment as Vice President.

12. LIST OF DIRECTORS AND OFFICERS

a) Directors:
R. Michael Jones
Frank R. Hallam (Secretary)
Iain McLean
Eric Carlson
Barry W. Smee
Timothy Marlow (Appointment announced July 11, 2011)

b) Officers:
R. Michael Jones (Chief Executive Officer)
Frank R. Hallam (Chief Financial Officer)
Peter C. Busse (Chief Operating Officer)
Kris Begic (VP, Corporate Development) (Appointment announced November 1, 2011)

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 21, 2011

/s/ R. Michael Jones
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 21, 2011

/s/ Frank R. Hallam
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, 2011, 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.

/s/ R. Michael Jones
R. Michael Jones
President, Chief Executive Officer and Director
November 21, 2011

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, 2011, 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.

/s/ Frank R. Hallam
Frank R. Hallam
Chief Financial Officer and Director
November 21, 2011

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. ('the Company') of our report dated November 21, 2011 relating to the consolidated balance sheets as of August 31, 2011 and 2010 and related consolidated statements of operations and comprehensive (loss) income, shareholders' equity, and cash flows for each of the three years ended August 31, 2011 and the effectiveness of the Company's internal control over financial reporting as of August 31, 2011.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
Vancouver, British Columbia
November 21, 2011

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, 2011 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.

The undersigned hereby consents to the references to, and the information derived from, the reports titled “Technical Report on Project 3 Resource Cut Estimation of the Western Bushveld Joint Venture (WBJV) Located on the Western Limb of the Bushveld Igneous Complex, South Africa” dated August 31, 2010, “Updated Technical Report (Updated Feasibility Study) Western Bushveld Joint Venture (Elandsfontein and Frischgewaagd)” dated November 20, 2009, “An Independent Technical Report on Project Areas 1 and 1A of the Western Bushveld Joint Venture (WBJV) Located on the Western Limb of the Bushveld Igneous Complex, South Africa” dated November 24, 2009 and to the references, as applicable, to the undersigned’s name in the 40-F, the AIF and the MD&A.

Minxcon (Pty) Ltd

By: Minxcon

Name: Charles Muller

Title: Director

Date: November 21, 2011

/s/ Charles Muller

Charles J. Muller

Date: November 21, 2011

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, 2011 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 "Updated Technical Report (Updated Feasibility Study) Western Bushveld Joint Venture (Elandsfontein and Frischgewaagd)" dated November 20, 2009 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

/s/ Gordon Cunningham
Gordon I. Cunningham
Date: November 21, 2011

Turnberry Projects (Pty) Ltd.
Name: Timothy Spindler
Title: Principal Mining Engineer

/s/ Timothy Spindler
Timothy Spindler
Date: November 21, 2011

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, 2011 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.

The undersigned hereby consents to the references to, and the information derived from, the report titled “Updated Technical Report (Updated Feasibility Study) Western Bushveld Joint Venture (Elandsfontein and Frischgewaagd)” dated November 20, 2009 and to the references, as applicable, to the undersigned’s name in the 40-F, the AIF and the MD&A.

Wardrop Engineering Inc.

By: Wardrop

Name: Byron Stewart

Title: Consultant

Date: November 21, 2011

/s/ Byron Stewart
Byron Stewart

Date: November 21, 2011