



 **platfields**  
LIMITED

# 2011

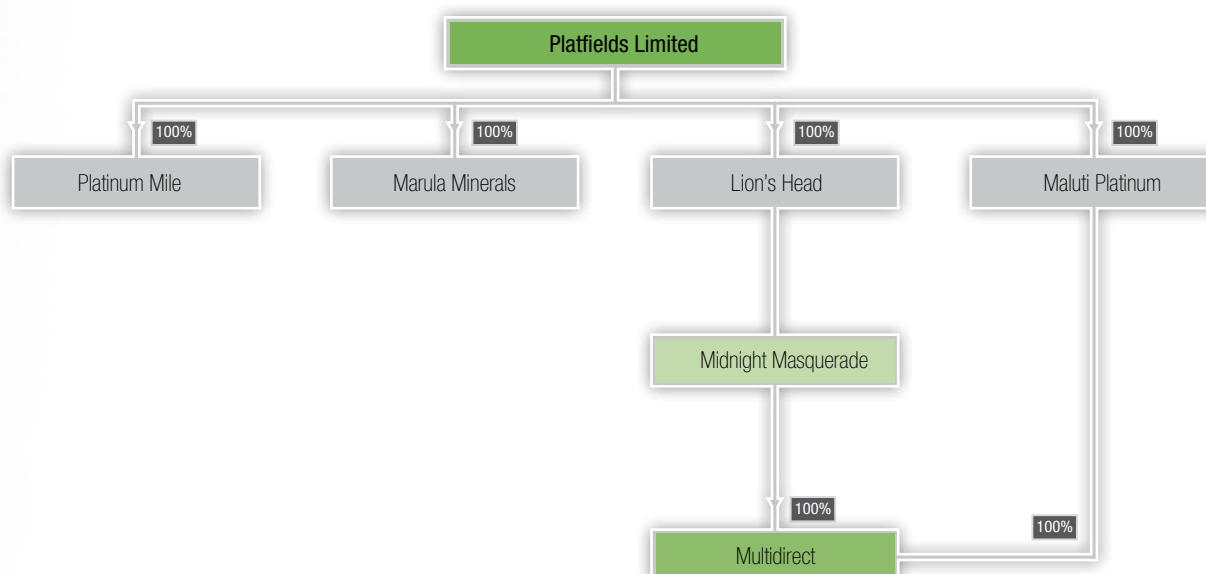
ANNUAL REPORT

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## Platfields Group Structure



# Corporate Profile



L – R: Mr Bongani Mbindwane, Ms Annelise Cilliers, Mr Roy Traviss and Dr James Mottlatsi

Precious metals exploration, development and mining junior  
Platfields Limited (Platfields) listed on the main Board of JSE Limited (JSE) in the Platinum and Precious Metals sector on Tuesday, 14 December 2010.

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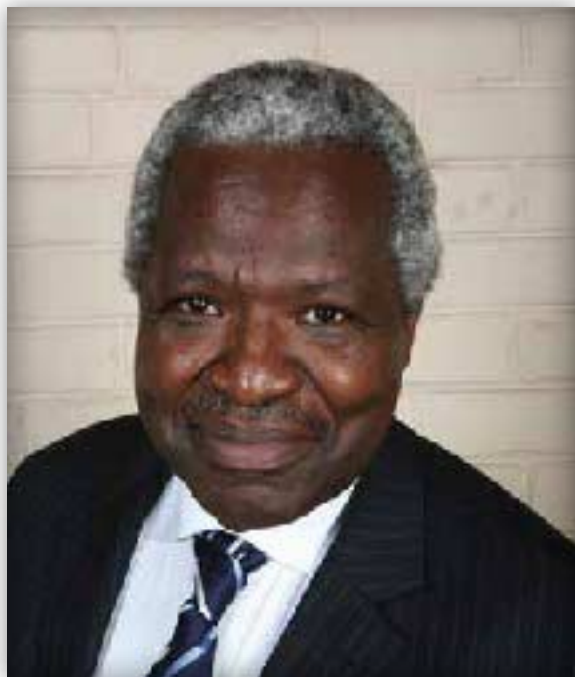
Share code: PLL  
ISIN: ZAE000151825

## Corporate Profile

Established in 2002, Platfields Limited (Platfields) is an emerging precious metal exploration Company with two near-surface platinum Group metals (PGMs) exploration projects, Liger and Berg, on the eastern limb of South Africa's Bushveld Complex, and a near-surface gold exploration project, Grootfonteinberg, in the Transvaal Drakensberg goldfields of Mpumalanga.

Platfields' strategy is to advance rapidly from its current status to become a developer and operator of metals mining operations in South Africa, taking full advantage of the opportunities presented by South Africa's new, enabling minerals legislation and the continued, sound long-term outlook for precious metals – PGMs and gold in particular. While Platfields is growth focused in the longer term, its short- to medium-term objective is to use its public profile to rapidly advance its highly attractive exploration projects.

# Chairman's Statement



Dr James Motlatsi

My past as a younger mine labourer to co-founder of the largest Mining union in Africa, National Union of Mine workers (NUM) of which I was founding president, it never occurred to me that I shall in future be part of establishing, from the bare ground, a sound mining enterprise as Platfields. This is testimony to the sound basis at which we must build and construct an industry free of exploitation of workers and investors alike, a shared industry with all stakeholders taking full ownership and responsibility over respective roles as guided by South Africa's supreme law, the Constitution of the Republic of South Africa which we fully support.

This is the first annual report to shareholders since the Company's JSE debut in December 2010, and following the sustained yet slow recovery in global economic conditions. Since the listing, we have noted with concern the downward trend in the Company's share price, but we are confident of the Company's fundamental value and forecast that the share price will resume its value to its prior over the counter (OTC) levels with new institutional investors, as the market begins to fully appreciate Platfields' growth prospects.

In his report the Chief Executive Officer will provide understanding of what the market price relating means, and what measures your Board has put in place to manage, deal and correct the trend.

South Africa remains a mineral-rich country, with developed infrastructure and a strong tradition of mining. South Africa's legislative environment, which has evolved over the years to support the minerals industry, is sophisticated and clear, yet it still remains for the industry to fully embrace it.

Improved international economic conditions boosted demand for platinum Group metals, through higher levels of production, to supply the growing Indian and Chinese markets.

Global platinum supplies increased in 2010 while a resurgent growth in the automotive and industrial sectors resulted in the platinum market being close to balance with a surplus much lower than in 2009. We have also noted the Japanese industrial sector difficulties, as it deals with the devastating tsunami that paralysed much of the connected sector that normally absorbs much of the mined metals. This may slow demand in the next few months only to push demand up again as the industrial sector finds its feet.

In terms of the Board composition and functioning, I am satisfied the Board acted in good faith and with diligence during the year in review. Ulrich Schäckermann resigned, while Neville Cornish retired, from the Platfields Board in March 2011. We thank them both for their contribution. To strengthen the Board we welcome Mr Seth Radebe as independent non executive director. Mr Radebe will also serve as member of both the Risk and Audit and the Remuneration and Nominations sub committees.

Mr Radebe is a practicing Chartered Accountant and previously held senior audit positions in the public and private sector, including at PKF – a leading international business advisory organisation, Mvelaphanda Group Service, various HCI and Altech subsidiaries, Deloitte & Touche, the South African Revenue Services and the Auditor General's Office. Radebe is the Managing Director at Rebahale Consulting, an auditing firm.

We thank Seth and warmly welcome him to the Board.

I wish to thank the Board and management for ending a challenging year and thank our advisors and staff.

Sincerely

**James Motlatsi**  
Chairman

# Chief Executive Officer's Report



Mr Bongani Mbindwane

## 1. Platfields Fundamentals Remain Robust

The Toronto venture exchange on mining equities saw some \$5.2 billion financings last year whilst our local market struggled. We were encouraged by a few JSE listings of explorers last year, including Platfields Limited. The listing process and achievement is a major step forward for an explorer that is serious about growth and being a serious industry competitor. We are hopeful that public management

of exploration companies will enable better understanding of the sector, and further encourage easier financing of projects in the market.

As our cost to capital remains far lower to our projected and vigorously tested growth (see Value add graph), I am confident that, as we settle into the listed environment, the market will appreciate this and it will be reflected back in our share valuation.

Platfields is funded on long-term deliverables and long range goals.

As we debuted on the JSE, the market became very sensitive over a very small volume of some shareholders, exiting at highly discounted prices who regarded these trades as a proxy for the value in Platfields.

The current share price devaluation therefore is not, and does not reflect, the best estimate of intrinsic value in Platfields.

We remain of the view that the market will correct itself as underlying and embedded value points us to an emotional runaway, rather than business fundamentals drives having influenced this rerating.

Whilst our share performance should never be assessed on short-term goals so must earnings ever factor our share prices assessment until such time there are cash flows to report, project and forecast.

### What are those fundamentals?

#### 'The most precious metal'

We are in the sector that remains desperate for more exploration.

There are no large inventories of above-ground platinum, and supply remains in deficit or cut throat surplus which is not enough for a full day's usage.

The tables below are a careful study on supply/demand dynamics for up to 2020 and make a case for our business.

### PLATINUM DEMAND/SUPPLY OUTLOOK

(000 oz)	2007	2008	2010	2015	2020
<b>Demand Total</b>	<b>6,775</b>		<b>9,736</b>	<b>11,964</b>	<b>12,879</b>
of which: Autocats	4,195		5,063	6,087	7,052
Jewellery	1,605		3,200	4,350	4,400
<b>Supply Total</b>	<b>6,785</b>		<b>9,015</b>	<b>10,002</b>	<b>10,009</b>
of which: AngloPlat	2,800		3,288	4,040	3,930
Implats	1,692		2,153	2,127	2,240
<b>Supply shortfall/surplus</b>	<b>10</b>		<b>-721</b>	<b>-1,962</b>	<b>-2,870</b>

Source: AllanHochreiter

# Chief Executive Officer's Report (continued)

## PALLADIUM DEMAND/SUPPLY OUTLOOK

(000 oz)	2006	2008	2010	2015	2020
<b>Demand Total</b>	<b>6,635</b>		<b>8,501</b>	<b>8,300</b>	<b>8,000</b>
of which: Autocats	4,015		5,500	5,500	5,500
Jewellery	995		2,100	2,500	2,500
Secondary Recovery	-800		-1,600	-2,200	-2,500
<b>Supply Total</b>	<b>8,060</b>		<b>8,427</b>	<b>8,380</b>	<b>8,370</b>
of which: South Africa	2,905		3,427	3,880	3,870
Russia	3,900		3,800	3,300	3,305
<b>Supply shortfall/surplus</b>	<b>1,425</b>		<b>-74</b>	<b>80</b>	<b>370</b>

Source: AllanHochreiter

## RHODIUM DEMAND/SUPPLY OUTLOOK

(000 oz)	2006	2008	2010	2015	2020
<b>Demand Total</b>	<b>837</b>		<b>1,122</b>	<b>1,332</b>	<b>1,549</b>
of which: Autocats	868		1,138	1,368	1,585
Recycling	-170		-210	-368	-503
<b>Supply Total</b>	<b>824</b>		<b>904</b>	<b>1,008</b>	<b>1,008</b>
of which: South Africa	690		759	863	863
<b>Supply shortfall/surplus</b>	<b>-13</b>		<b>-218</b>	<b>-324</b>	<b>-541</b>

Source: AllanHochreiter

## Experienced Management

Platfields' management has over the years gained significant insight on how to successfully manage an exploration business, with tight cash flows, and move it towards producer from greenfields. Careful cash and resources management, including exploration risk management led to Platfields being one of a handful of exploration companies to be admitted into the internationally prestigious JSE main Board.

Platfields has a sophisticated long-term view and plans to create significant value for its shareholders, whilst the current price reaction is not supportive of this view, Platfields' fundamentals remains robust and focuses on proving a mineable resource in medium range, and extraction in a long-term range goal. The share price emotive performance cannot change the nature and content of the resources

on the ground nor the future markets thereof. The fundamentals remain strong and positive.

## Black Economic Empowerment

At least 41% of the total issued shares in Platfields is held by historically disadvantaged individuals (HDI).

Of the authorised share capital in Platfields, 26% of the capital is the minimum structured for subscription by historically disadvantaged individuals, allowing for HDI maximum dilution to be at 26% of the full dilution in accordance with the Company's memorandum of association.

Community BEE Share Trust and Employee BEE Trust were established to benefit the communities in which Platfields will operate mines and its employees who are HDI's, the two trusts together hold some 18% of the current issued shares in Platfields.

## Pricing

It is fitting to invite shareholders to view Platfields business behind the financial reporting information. Our sector is about the future growth and international development goals, the nature and content on the ground points to mineralised ore bodies in all our prospects with a potential for open pit mining of PGM's.

In the short term Platfields is cognisant that the current prices are negative for key strategic decisions, like the issue of new shares and acquisitions. It is management's view that the market will be able to realise that the irrational pricing ought to be corrected and rational investors will play a role in correcting this mis-pricing.

It is noticeable that Platfields' shares are never without a sophisticated buyer in the stock market. These buyers are keen to acquire all available low priced stock for they have assessed our fundamentals.

Management is eager to engage the market in the next months to correct this rare behaviour, often created by weak shareholders and by an overhang as is with Platfields'.

- The Market should be perfectly capable of recognising the economic and business fundamentals in Platfields even when shareholders are not acting on the basis of these fundamentals.

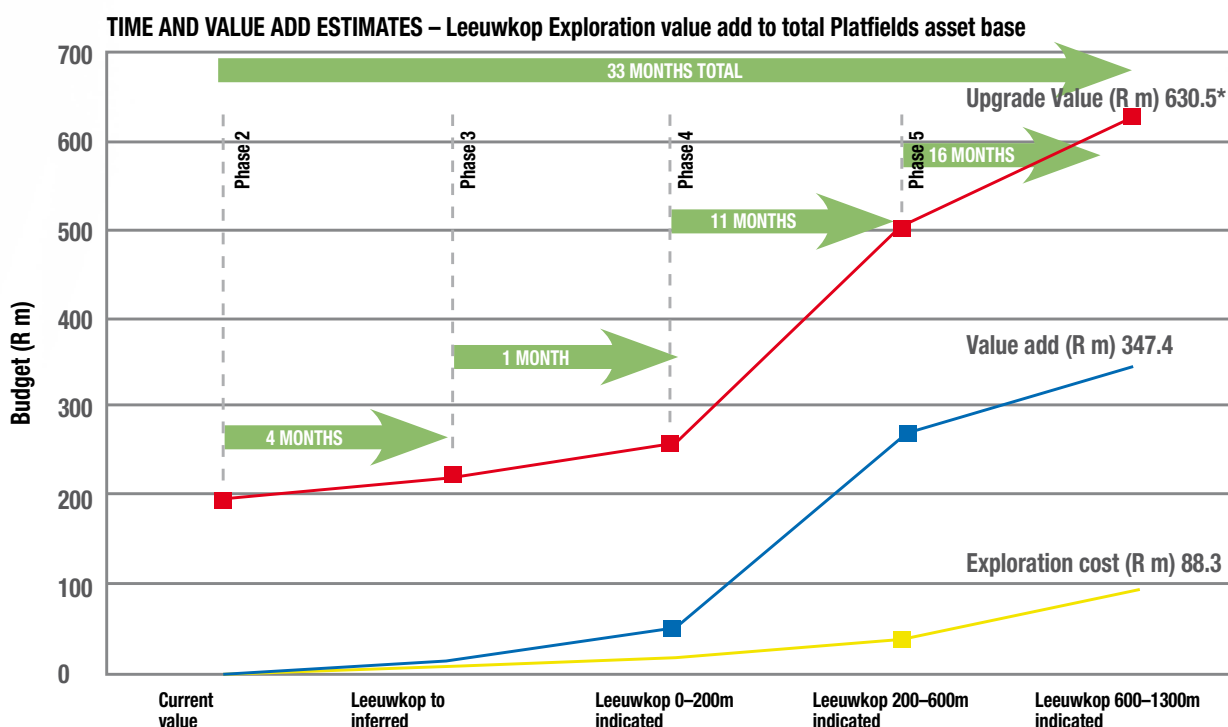
- Platfields listing price range of 1.40 cents per ordinary share reflects the current fundamentals very well.

Platfields price deviations are not unique, especially in light of a less understood industry sector (exploration juniors);

- The price deviation as experienced will be short lived as our long range goals move us towards being an exceptional quality small producer with high shareholder returns and value.

- Despite the current share price, management will continue to be prudent in managing the business soundly, decisions will be based on minimal shareholder value dilution, discounted cash flows and quicker route to mine.

I am firm of the view that market valuation of Platfields should be determined by the quality of its assets in particular the Leeuwkop Project, our long term performance projections, the infinite nature of



\* Note: Full project value – not attributable

our mineral class and importantly the ratio of cash deployed to add value. Below is a diagram that illustrates this ratio on the Leeuwkop Project in particular:

In the graph above the yellow line indicates the exploration budget required, the red line shows the value that could be added by exploration for the various phases and the blue line depicts the upgraded value from the value of ZAR194.9 million in 2010 and

ZAR227.8 million in 2011 to ZAR630.5 million (total Platfields mineral asset value when Leeuwkop resource is upgraded to indicated). The big jump is as a result of the resources till a depth of 600 m being converted to an indicated resource which is reasonably close to the surface and accessible by decline and therefore have a lower cost than the resources below 600 m depth which would start requiring a shaft system at higher cost.

# Chief Executive Officer's Report (continued)

## 2. Litigation with Rustenburg Platinum (Anglo Platinum)

- 2.1 The Tigerpoort prospecting right was granted to Platfields in September 2008 and is not yet executed and registered. The prospecting area is overlapping with the prospecting area of Rustenburg Platinum Mines Limited, a wholly-owned subsidiary of Anglo Platinum Limited ("Anglo").
- 2.2 Anglo has submitted an appeal to the Minister, appealing against the DMR's granting of the Tigerpoort prospecting right to Platfields. The Anglo appeal documents state that Anglo is the holder of a converted prospecting right 596/2007(PRC), over farm Tigerpoort 426 KS, which was granted on 14 September 2006 and executed and registered on 23 May 2007, and endures until 22 May 2012. Anglo has also now launched a High Court review application to set aside the decision of the Minister to grant the Tigerpoort prospecting right to Platfields.
- 2.3 The overlapping portion of the Anglo prospecting right area is 171.3064 hectares in extent, and only covers a portion of the Platfields prospecting right area, which is 504.00 hectares in extent.
- 2.4 Platfields and Rustenburg Platinum began negotiations for a commercial settlement over the overlap. During these negotiations Rustenburg Platinum launched a surprise High Court review application of the entire right and also of Leeuwkop 425 KS prospecting right which was granted to Platfields subsidiary in 2006 and has no tenure relations or connection to Tigerpoort.
- 2.5 Platfields is in the process of resolving the overlap having submitted new surveyor sketches clearly outlining the area of interest in Tigerpoort which excludes Rustenburg Platinum's area of interest. The DMR is in the process of preparing new contracts in this regard.
- 2.6 We continue to negotiate with Rustenburg Platinum's management and legal representatives particularly to settle the unjust inclusion of Leeuwkop in the review application as it has no merit or standing.

## 3. Legislative and Regulation Challenges

- 3.1 As we write this report I am fully aware of the most important and topical issue in the industry we operate, a call by a powerful lobby for the "renationalisation" of the mining industry. The mineral resources industry has already been nationalised with the State being custodian of all mineral resources.
- 3.2 Since the beginning of this lobby for aggressive policy change

we have experienced higher reluctance from investors willing to invest in exploration. As is its nature, the exploration business comes with its own high risks. The nature and manner in which government has managed the policy debate and lobbying has caused serious financing difficulties for junior miners such as Platfields.

- 3.3 Key and major investment into our business came from foreign sources willing to take the risk with us to forge possibilities of potentially developing mines, employ thousands and develop communities whilst black business is at least guaranteed a minimum of 26% influence ownership and control. These are the only investors willing to partner fully in transformation.
- 3.4 There remains an unsettled risk factor for junior explorers in particular, as the debate over policy remains unresolved.
- 3.5 Junior explorers share prices continue to suffer as part result and fundraising plans have been shelved by many including this Company's initial plans to seek financing in the first quarter of this year by issuing shares to the market.
- 3.6 Some established mining industry companies have poured fuel to fire and added to the risk factor as they embolden the lobby Groups by their reluctance to fully and immediately embrace the transformation agenda, and the true spirit of the Mining Charter.
- 3.7 This Company and others has been taken to the High Court by a major that claimed a portion of the undeveloped greenfields project area and, in it's claim proceeded to include this Company's other property under exploration. This unfair and unjust litigation added to this Company's challenges for the year under review and further increased the perceived internal risks and attenuated hard earned achievements.
- 3.8 The negative role majors are embarking on are equally troubling as the nationalisation lobby gathers momentum through such actions.
- 3.9 Whilst we will strongly defend the capital markets system; and the right of black businesses to exist alongside established businesses we shall equally be working to limit the dominance by majors and their reluctance for inclusive and sustainable industry transformation.
- 3.10 For as long as the spirit and true intent of the Mining Charter is side stepped and opposed in action with little transformation of ownership patterns, the policy shift call will gather momentum and sense of solution therefore illegitimising private business participation in the industry, on the ground and in communities.
- 3.11 Whilst the call for policy shift is not an answer for economic

woes in South Africa and remains without business, growth or progressive merit, the lack of transformation, hoarding of unused rights and now recently, various overzealous litigation by majors provide strong arguments to those calling for the socialist answers.

## 4. Acquisition of claim in respect of prospecting rights over Leeuwkop project

4.1 Platfields in the past accounted for 50% attributable resources over the Leeuwkop project due to the granting of the right equally to Platfields subsidiary Multidirect and Thoba Mining (Thoba's right now ceded to Majestic Silver), the Pre Listing Statement and prior reports and the information set out therein regarding the potential claim of a third party to 50% of the prospecting rights ("the claim") over the farm Leeuwkop in the Limpopo province ("Leeuwkop").

As announced on SENS on 25 January 2011, the Company entered into an agreement with Majestic Silver Trading 222 (Proprietary) Limited (Registration No. 2005/038613/07) to acquire the claim ("the transaction") with effect from 18 January 2011 ("the effective date") for a cash consideration of up to R40 million payable as follows:

- an amount of R2 million payable on the effective date;
- the balance payable on capital raising by the Company over the next 24 months in accordance with the following:
- if an amount of R100 million is raised, full settlement of the balance;
- if any amount of up to R50 million is raised, settlement of 40% of the balance; and

- if an amount of up to R25 million is raised, 25% of such amount raised.

4.2 The agreement contains appropriate warranties in respect of the claim. The Board of Platfields considered it in the Company's best interest to enter into this agreement to remove any doubt or uncertainties over Platfields' ownership of 100% of the new order prospecting rights over Leeuwkop, which in turn will allow the Company to claim 100% attributable resources relating to this prospecting right.

4.3 The Leeuwkop project has a UG2 inferred resource down to 700 m containing 3,885,000 tonnes of 4E PGM at some 4.27 g/t, 112 SW (cm) and 3.46 SG (t/m<sup>3</sup>). In this project with initial open pit potential, Platfields is targeting a total of 3.905 Moz of 4E's at a grade of 4.63 g/t (Note: Number represents the full project oz.). The pro forma financial effects of the acquisition on Platfields' earning per share, headline earnings per share, net asset value per share and net tangible asset value per share for the six month period ended 31 August 2010 are set out below.

4.4 The pro forma financial information has been prepared for illustrative purposes only, to provide information on how the transaction may have impacted on the historical results and financial position of Platfields. Because of its nature, the pro forma financial information may not give a fair reflection of Platfields' financial position after the transaction, or the effect of the transaction on Platfields' future earnings. The calculation of the pro forma financial information is the responsibility of the directors of Platfields.

	Before (cents)	After the transaction (cents)	% change
Loss and headline loss per share	<b>(14.11)</b>	<b>(11.58)</b>	<b>(17.9)</b>
Net asset value per share	<b>7.60</b>	<b>11.86</b>	<b>56.1</b>
Tangible net asset value per share	<b>4.58</b>	<b>3.46</b>	<b>(24.5)</b>

# Chief Executive Officer's Report (continued)

## 5. Platfields Asset Valuation Update

The resource tons of the projects remained unchanged as no new drilling occurred during this period. The resources categories remained unchanged. Over the past 8 months, the prices of Platinum-Group metal ("PGM") and gold remained robust, supported by a strong demand for commodities. This performance however was offset by a stronger rand. The USD basket price increased by between 19% to 25% depending on the PGM prill splits of the specific area. Due to the stronger Rand/USD exchange rate ZAR basket price increase were more subdued.

**TABLE 1: COMMODITY PRICE MOVEMENT AND IMPACT ON THE PGM BASKET**

Item	Unit	28 Feb 2008	28 Feb 2009	28 Feb 2010	30 Jun 2010	28 Feb 2011	% Change
<b>Economic Parameters</b>							
Platinum	USD	2,102	1,060	1,539	1,558	1,826	17%
Palladium	USD	542	196	429	465	821	77%
Rhodium	USD	9,030	1,200	2,575	2,486	2,426	-2%
Gold	USD	960	952	1,108	1,233	1,373	11%
Exchange Rate	ZAR/USD	7.66	8.36	7.68	7.64	7.18	-6%
<b>Basket Price</b>							
Liger Merensky	USD	1,739	795	1,198	1,229	1,502	22%
Liger Merensky	ZAR	13,320	6,650	9,198	9,392	10,782	15%
Liger UG2	USD	1,916	672	1,103	1,123	1,403	25%
Liger UG2	ZAR	14,674	5,616	8,464	8,583	10,071	17%
Berg UG2	USD	2,431	841	1,349	1,362	1,616	19%
Berg UG2	ZAR	18,623	7,032	10,355	10,409	11,604	11%

Although there is a value attributable to the Berg project it will be challenging to develop the project as a standalone project in due course under current metal prices and the value increase in USD terms for the resource is marginal, due to the stronger rand the total value reported for the project was marginally lower. Management is optimistic that circumstances in the southern tip of the Bushveld will soon necessitate strategic consolidation by parties active in the area and Berg Project will be key as it poses a number of positive attributes.

Transactions that took place in the industry including inferred resources led to some improvement in the USD/oz value. That alongside with the improvement in the basket price lifted the value of the Liger project to ZAR111.71m

**TABLE 2: COMPARATIVE VALUATION**

		30-Jun-10	28-Feb-11
Liger	4 E PGE ('000)	5,511	5,511
	Unit Value (USD/oz)	1.82	2.74
	<b>ZAR ('000)</b>	<b>77,079</b>	<b>111,714</b>
	4 E PGE ('000)	1,532	1,532
Berg	Unit Value (USD/oz)	10.01	10.26
	<b>ZAR ('000)</b>	<b>117,784</b>	<b>116,131</b>
	<b>Total</b>	<b>194,863</b>	<b>227,845</b>

Note: Valuation represents full project value

## 6. Future Prospects

The key strategy of the Group is to build a portfolio of commercially viable and attractive precious metals exploration projects which range from greenfield exploration targets to mineral properties with well defined mineral reserves. In the longer term the objective is to bring these properties

into production, developing commercially sustainable operations, while continuing to explore for, or acquire, further attractive projects.

Subject to the raising of further capital and, as noted above, Platfields' primary focus in the immediate future will be on raising capital, conducting additional exploration in relation to the Liger Project, and in particular Leeuwkop, in respect of which it holds a new order prospecting right. Thereafter it is intending to conduct mining studies over certain portions of the Leeuwkop project, with the goal of proceeding to potential mining applications in the short-to-medium-term. As noted above, the Tigerpoort portion of the Liger project is a longer term extension, and enhances Leeuwkop as it forms a natural extension to the mineralisation area and it is intended to proceed with prospecting operations on this property. Once the litigation with Anglo Platinum is resolved over portions of this property.

The Berg Project will be a secondary consideration, with the future focus in respect of this project being on the Aquidus and Draaikraal properties that about Northam Platinum Limited's Booyssendal mine. There are interesting prospects for potential consolidation of resources with peers along the Berg. Platfields will be keen to seek potential corporate arrangements. Platfields holds new order prospecting rights over the Berg Project in its present form (except in relation to the Aquidus Prospecting Right which is still formally held by Aquidus until the cession to Platfields is executed and registered). It has also applied for an additional prospecting right over portions 4, 5 and 39 of the 27 farm Kliprivier 73 JT, which, if granted, will enhance the Berg Project and its pipeline. Platfields is working to improve this project to enable a potential future mining operation, this will entail strategic commercial arrangements with neighbouring properties Platfields will be keen to consolidate under.

On the gold portfolio, the main focus will be on data compilation, mapping and sampling on the Lisbon, Little Joker and Ceylon portions of the Grootfonteinberg project.

In the medium term, in addition to exploration and mining, Platfields aims to assemble a range of complimentary but diversified services to create a business which operates in multiple areas of the value chain and other strategic minerals. While maintaining the primary objective of creating synergy to maximise stakeholder and shareholder value, market offerings that could introduce revenue streams in the short term will be sought.

The Platfields Board has approved a business plan that encourages investments in all precious metals and other metallurgical assets, to enable its growth prospects to widen and risk spread.

## 7. Conclusion

Your directors are aware of the Company's key conditions and have identified as priority the following as of strategic importance:

**7.1 Irrational shareholder behaviour:** Weak shareholder and an overhang contributed to the negative deviation of the share price. Mostly the shareholders were not able to process all available information correctly, thus forming expectations on the price early performance.

**7.2 Limited appetite in markets:** Sophisticated investors took positions and exploited the irrational behavior driving the price downwards, however as appetite remained thin in the market, this will not have lasting effects on market valuations going forward. South Africa lacks an encouraging tax regime for individuals to invest in growth opportunities.

**7.3 Unfair and unjustifiable litigation:** When a major Company litigates a junior, markets tend to ignore merits of such litigation. It is often assumed that irrespective of demerits, the stronger balance sheet will prevail, therefore decreasing prices further for the weaker party.

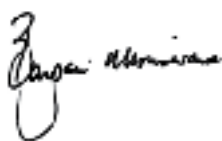
**7.4 Legislative Risk:** The call for forced uncompensated mines operational ownership by the State has created serious and detrimental constraints for our viable source of financing, thus delaying junior projects further.

### 7.5. Setting us apart during the period and prior

- We are pleased with the asset value upgrade from R195 million in 2010 to R228 million in this year under review.
- To date, Berg Project meters drilled are approximately 16 000, giving us a fair understanding of the geology.
- Projected exploration costs of R88 million to provide value upgrade up, to R630 million in one asset.
- Cleared uncertainty over Leeuwkop right with the Majestic Silver transaction.
- Headline losses decreased in 2011.
- Scheduled to publish a mine report on the Liger Project during the mid term report.

Your directors will be highly focused on paving corrective action on these key areas and will further seek to exploit our listed status for shareholder gain. In this regard Platfields will proceed with its aim to being a key junior player and competent consolidator in the sector.

I thank you for your strong support and we look forward to yet another positive year ahead.



**Bongani Mbindwane**  
Chief Executive Officer

# Platfields Mineral Resource Statement



The Platfields projects' Mineral Resources have been summarised as at May 2011, and have been reported in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2007) ("the SAMREC Code") as well as Section 8.63(m) of the JSE Listing Requirements (Service Issue 14).

The Mineral Resource statements in this annual report should be read in conjunction with the following technical report available at [www.platfields.co.za](http://www.platfields.co.za), prepared by Minxcon (Pty) Ltd ("Minxcon") in accordance with the SAMREC Code as well as Section 12 of the JSE Listing Requirements:

- Independent Technical Report entitled "An Independent Competent Persons' Report on the Platfields Limited Mineral Assets, South Africa" dated 30 June 2010. This Independent Technical Report was prepared by Minxcon in accordance with the SAMREC Code and Section 12 of the JSE Listing Requirements. Minxcon is independent of Platfields, as are the authors of the Technical Report.

There have been no material changes to the Mineral Resources since April 2010, and Minxcon has re-stated the Mineral Resources as at 30 May 2011.

The Platfields projects comprise the Liger and Berg platinum group metal ("PGM") projects, and the Grootfonteinberg gold project. The Liger and Berg projects are hosted within the Critical Zone in the Eastern Limb of the layered Bushveld Igneous Complex ("BIC"). The Grootfonteinberg project is targeting hydrothermal, quartz-carbonate vein-hosted gold within the Transvaal-Drakensberg Goldfield of the Witwatersrand Basin, particularly within the Beta Reef hosted by lithologies of the Transvaal Supergroup.

All Mineral Resources calculated for the Platfields projects are an accurate representation of the Competent Person's view of the deposits. The following Competent Person is responsible for the Mineral Resource estimates:

*Competent Person – Linert Mavengere (Mineral Resource Geologist, Minxcon): B.Sc. (Hons) (Geol.), MGSSA, MGASA, Pr. Sci. Nat. 400181/08 ~ Mineral Resource Estimation: Linert worked in the*

*mining industry for ten years before moving to consultancy. She has worked for major mining houses such as Anglo Zimbabwe, Metallon and RioZim, where she has, over the years, gathered a substantial amount of knowledge pertaining to the definition of Mineral Resources. Linert is proficient in ore body modelling and Mineral Resource evaluation using Datamine™.*

Platfields has written confirmation from the Competent Person that the information disclosed in terms of Section 8.63(m) is compliant with the SAMREC Code and, where applicable, the relevant Section 12 and Table 1 (of the SAMREC Code) requirements, and that it may be published in the form and context in which it was intended.

The Merensky Reef 4E (3PGE+Au) Mineral Resources were declared at a 200 cm.g/t cut-off and a minimum mining cut of 90 cm, while the UG2 was declared at a 150 cm.g/t cut-off and a minimum mining cut of 90 cm. For the minimum cut, where the seam is less than 90 cm, it is diluted with the overlying units to make up 90 cm, and where it is more than 90 cm, the CW is used as is. The bottom-up mining cut rule was applied to both the UG2 and the Merensky Reef.

All Mineral Resources have been categorised and reported in compliance with the definitions embodied in the SAMREC Code.

As per the SAMREC Code specifications, Berg PGM Mineral Resources have been reported separately in the Indicated and Inferred categories. The Liger PGM Mineral Resources meet the requirement of being Inferred Mineral Resources and Exploration Targets.

An Exploration Target was defined for the Grootfonteinberg project, which comprises the farm Grootfonteinberg 561 KT in the Mpumalanga Province of South Africa. The mean ranges for the Exploration Target were calculated for the Beta Reef based on data from drill holes on the farm Grootfonteinberg 561 KT.

The Mineral Resource classification is a function of the confidence of the whole process from drilling, sampling, geological understanding, Quality Assurance and Quality Control ("QAQC") and geostatistical relationships.

The Mineral Resources overleaf have been declared for the entire project area, and Mineral Resources have not been declared on an attributable basis.

### Berg and Liger Projects Best Cut 4E Mineral Resources as at 30 May 2011

Project Area	Resource Category	Reef	Cut-off	Tonnes	Grade 4E	Content	Content	SW	SG	Metal Ratio
			(cm.g/t)	(t)	(g/t)	(g)	(Moz)	(cm)	(t/m³)	3PGE+Au (Pt%:Pd%:Rh%:Au%)
Berg	Indicated	UG2	150	13,685,000	2.17	29,696,450	0.955	119	3.42	61:27:11:1
	<b>Total Indicated</b>			<b>13,685,000</b>	<b>2.17</b>	<b>29,696,450</b>	<b>0.955</b>	<b>119</b>	<b>3.42</b>	
	Inferred	UG2	150	9,945,000	1.82	18,099,900	0.582	113	3.48	61:27:11:1
	<b>Total Inferred</b>			<b>9,945,000</b>	<b>1.82</b>	<b>18,099,900</b>	<b>0.582</b>	<b>113</b>	<b>3.48</b>	
Project Area	Resource Category	Reef	Cut-off	Tonnes	Grade 4E	Content	Content	SW	SG	Metal Ratio
			(cm.g/t)	(t)	(g/t)	(g)	(Moz)	(cm)	(t/m³)	3PGE+Au (Pt%:Pd%:Rh%:Au%)
Liger	Inferred	Merensky Reef	200	5,667,000	5.08	28,788,360	0.926	105	3.21	58:30:3:9
	Inferred	UG2	150	3,885,000	4.27	16,588,950	0.533	112	3.46	44:46:8:2
	<b>Total Inferred</b>			<b>9,552,000</b>	<b>4.75</b>	<b>45,377,310</b>	<b>1.459</b>	<b>108</b>	<b>3.31</b>	

Notes: The Inferred Mineral Resources and Exploration Targets have a large degree of uncertainty as to their existence and whether they can be mined economically or legally. It cannot be assumed that all or any part of the Inferred Mineral Resources or the Exploration Target will be upgraded to a higher confidence category. The current Mineral Resource model is based on available sampling data collected over the history of the project area. The Mineral Resources update was carried out by L. Mavengere of Minxcon (Pty) Ltd, who is a National Instrument 43-101 Competent Person, with professional registration with SACNASP (SA), and is responsible for the technical aspects of this report. The Resource estimate is based on a 2D computer block model with 4E cm.g/t, channel width and specific gravity estimated into 500 X 500 X 1 metre blocks using full channel width composite data. The grade models were constructed using simple kriged estimates. The Mineral Resources are quoted for a 90 cm minimum mining cut model for both the MR and the UG2. The grade models were verified using visual and statistical methods and were deemed to be globally unbiased. The blocks were classified into Exploration Targets and Inferred Mineral Resource categories using the following and not limited thereto: sampling QAQC, geological confidence, number of samples used to inform a block, kriging variance, distance to sample (variogram range), lower confidence limit, kriging efficiency, regression slope, etc. No environmental, permitting, legal, taxation, socio-political, marketing or other issues are expected to materially affect the above Mineral Resource estimate and hence have not been used to modify the Mineral Resource estimate. Only the Mineral Resources lying within the legal boundaries are reported. Mineral Resources are inclusive of the Mineral Reserves. The tonnages are based on stope width. The grade is diluted over the stoping width and all figures are in metric tonnes. The Mineral Resources are declared at cut-offs shown in the table above. Conversion kg to oz: 32.15076.

### Liger Best Cut Exploration Target 4E Mineral Resources as at 30 May 2011

Project Area	Resource Category	Reef	Cut-off	Tonnes	Grade 4E	Content	Content	SW	SG	Metal Ratio
			(cm.g/t)	(Mt)	(g/t)	Tonnes (t)	(Moz)	(cm)	(t/m³)	3PGE+Au (Pt%:Pd%:Rh%:Au%)
Liger	Exploration Target	Merensky Reef	200	9 to 13	3 to 5	27 to 65	0.9 to 2.1	90 to 105	~3.19	58:30:3:9
	Exploration Target	UG2	150	14 to 18	3 to 5	42 to 90	1.3 to 2.9	90 to 110	~3.49	44:46:8:2
	<b>Total Exploration Target</b>			<b>23 to 31</b>	<b>3 to 5</b>	<b>69 to 155</b>	<b>2.2 to 5.0</b>	<b>90 to 110</b>	<b>~3.37</b>	

Notes: The Inferred Mineral Resources have a large degree of uncertainty as to their existence and whether they can be mined economically or legally. It cannot be assumed that all or any part of the Inferred Mineral Resources or the Exploration Target will be upgraded to a higher confidence category. The current Mineral Resource model is based on available sampling data collected over the history of the project area. The Mineral Resources update was carried out by L. Mavengere of Minxcon (Pty) Ltd, who is a National Instrument 43-101 Competent Person, with professional registration with SACNASP (SA), and is responsible for the technical aspects of this report. The Resource estimate is based on a 2D computer block model with 4E cm.g/t, channel width and specific gravity estimated into 500 X 500 X 1 metre blocks using full channel width composite data. The grade models were constructed using simple kriged estimates. The Mineral Resources are quoted for a 90 cm minimum mining cut model for both the MR and the UG2. The grade models were verified using visual and statistical methods and were deemed to be globally unbiased. The blocks were classified into Exploration Targets and Inferred Mineral Resource categories using the following and not limited thereto: sampling QAQC, geological confidence, number of samples used to inform a block, kriging variance, distance to sample (variogram range), lower confidence limit, kriging efficiency, regression slope, etc. No environmental, permitting, legal, taxation, socio-political, marketing or other issues are expected to materially affect the above Mineral Resource estimate and hence have not been used to modify the Mineral Resource estimate. Only the Mineral Resources lying within the legal boundaries are reported. Mineral Resources are inclusive of the Mineral Reserves. The tonnages are based on stope width. The grade is diluted over the stoping width and all figures are in metric tonnes. The Mineral Resources are declared at cut-offs shown in the table above. Conversion kg to oz: 32.15076.

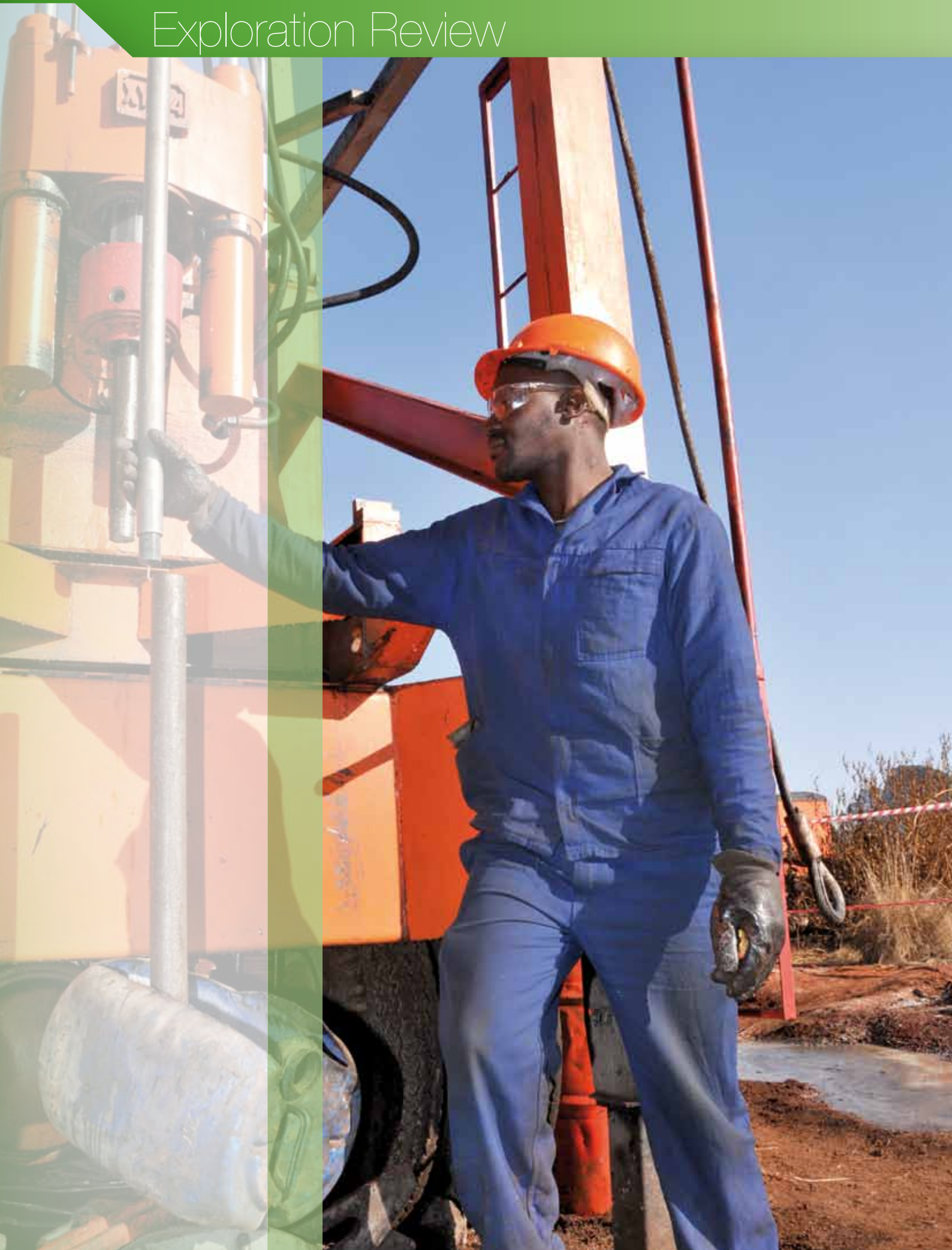
### Grootfonteinberg 561KT Exploration Target Ranges as at 30 May 2011

Parameter	Beta Reef	
	Range	
	Min	Max
Channel Width (cm)	11	28
cm.g/t	250	753
SG		3.6
Area (m²)		455.458
Tonnes (Mt)	0.180	0.459
Gold Grade (g/t) (Over 90 cm Stopping Width)	2.00	8.00

Notes: The grade ranges are regional averages which are in line with the two drill hole sample values from the property under discussion. The potential quantity, quality and content are conceptual in nature and insufficient data exists to define a Mineral Resource. Minxcon is of the opinion that more drill holes are required to improve confidence in defining the potential of the target area. However, it is uncertain whether further exploration will result in the determination of a Mineral Resource. The Exploration Target may have the potential to be converted into a Mineral Resource. This will rely on further exploration undertaken on the project area. The content (cm. g/t) ranges were determined by Minxcon's knowledge of the Beta Reef in this area. The mean of the two data points was reviewed and it was deemed that the minimum value would be half the mean, and the maximum value would be half the mean plus the mean. The values achieved were in line with the regional values in the area for the Beta Reef. The gold grade is stated over a minimum stoping width of 90 cm.

Marula Minerals (Pty) Ltd ("Marula Minerals") is a wholly owned subsidiary of Platfields. Marula Minerals was the holder of executed 205 PR, for the project areas which cover the Grootfonteinberg Project. A transfer of the Prospecting Right into the name of Platfields in terms of Section 11 of the MPRDA was executed as at 15 June 2010. Although this PR has been executed, it was never registered with the Mine Titles Registration Office. Minxcon is aware that a right over the same farm Grootfonteinberg 561 KT has been executed by a third party. This creates debate as to Platfields' entitlement to the farm.

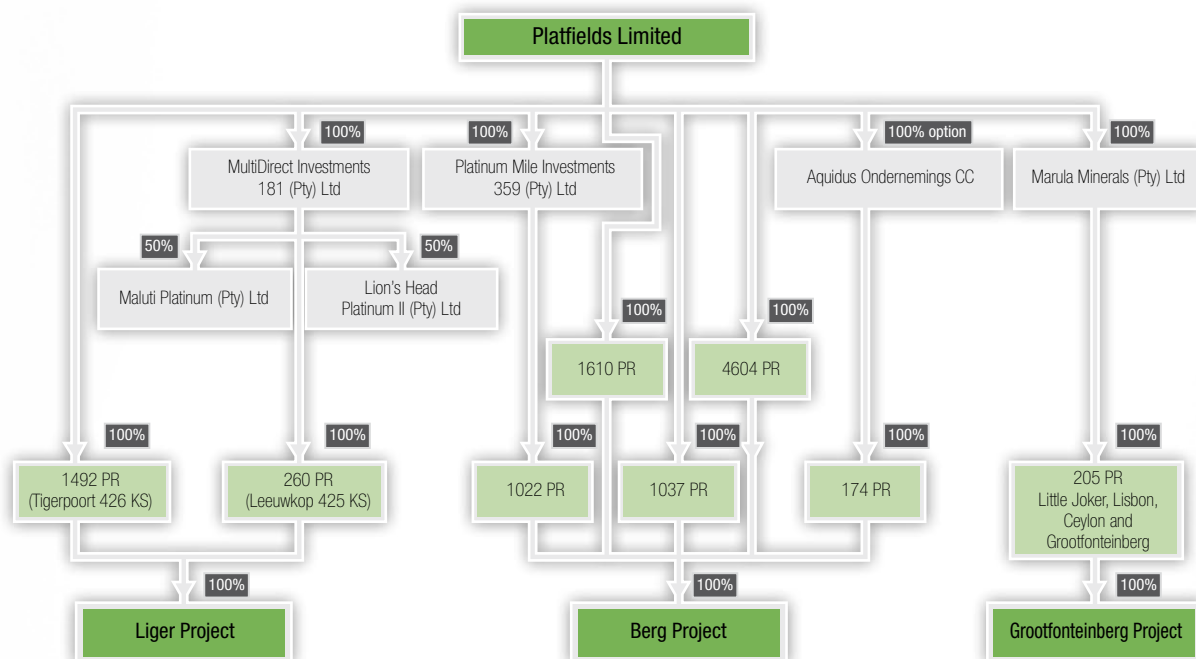
# Exploration Review



# Exploration Review

## 1. The Group Projects

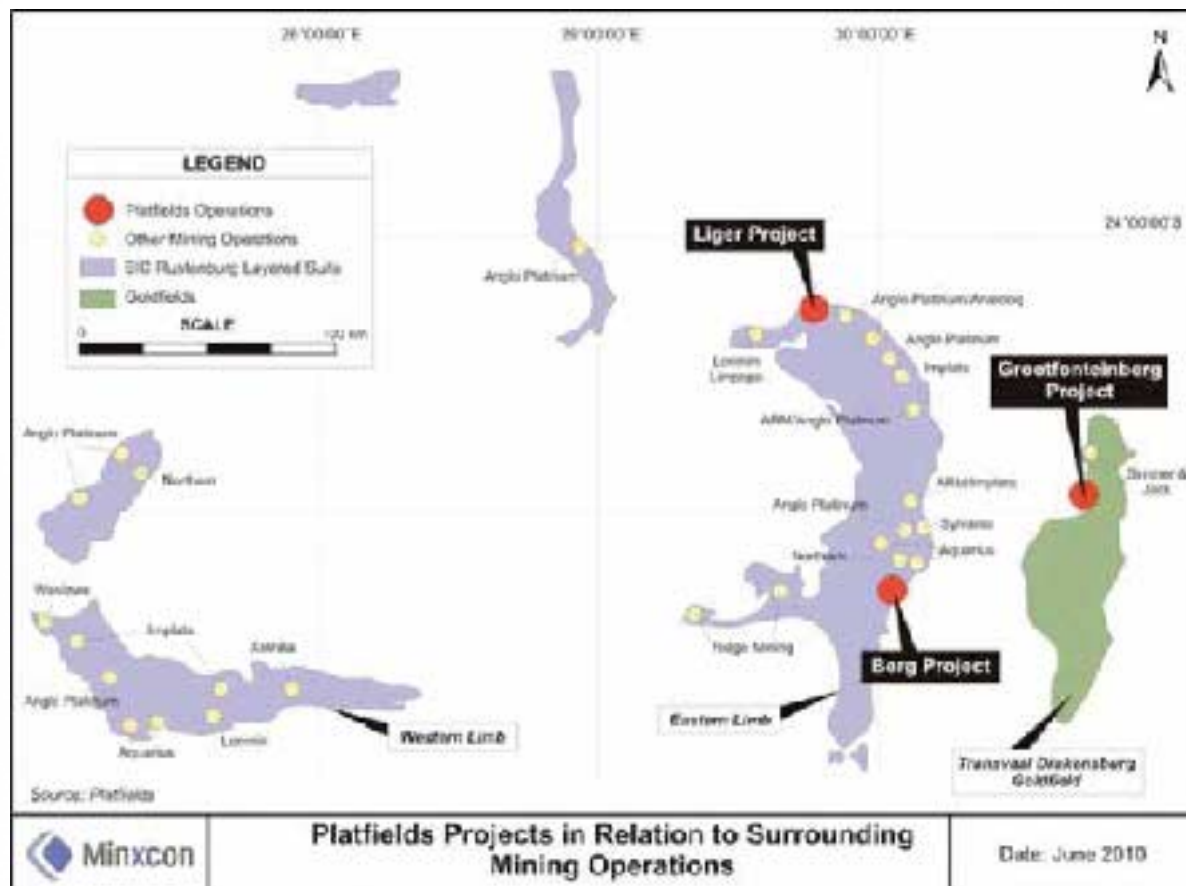
### PLATFIELDS PROJECTS AND PROSPECTING RIGHTS



- 1.1 Platfields is currently focused on three core precious metals projects over which exploration has been undertaken, and will, subject to the raising of further capital, continue to be undertaken. Its PGM exploration is focused over two distinct project areas in the Northern (the Liger Project) and Southern (the Berg Project) extremities of the Eastern Limb of the Bushveld Complex near the towns of Lebowakgomo and Roossenekal, respectively. Platfields also has a third, gold project (the Grootfonteinberg Project), which consists of identified gold mineralisation adjacent to and within proximity of existing and historic operating gold mines or prospects near the town of Pilgrim's Rest.
- 1.2 Going forward Platfields' primary focus will be on the Liger Project, which is a shallow resource with open pit potential and high grade PGM resources. It presents the most attractive opportunity to significantly increase value for the Company and its shareholders. The Berg Project and Grootfonteinberg Project are currently secondary priorities. The Berg Project is more structurally complex (with intermediate resource depth) and has lower grade PGM resources, and as such present potential joint venture opportunities (as opposed to stand-alone). The Grootfonteinberg project has reasonable grade gold resources, but has a mineralogically complex ore body and high capital requirements. It also presents potential joint venture opportunities.

# Exploration Review (continued)

MAP OF PLATFIELDS PROJECTS



## A. PGMs

### The Liger Project

The Liger Project (formerly reported on as the Leeuwkop and Tigerpoort projects) began in 2003 following the establishment of a joint venture between Platfields and Maluti Resources to explore for PGM minerals on the Eastern Limb of the Bushveld Complex.

The Liger Project is located 23 kilometers to the east of the town of Lebowaagomo, immediately to the west and along strike of Anoroaq's Anglo Bokoni Mine. The project covers approximately 1 100 hectares comprising two contiguous prospecting rights. Drilling at this project is targeting between 2.20 and 6.459 million PGM ounces (4E), encompassing both Merensky and UG2 Reefs.

The Company is fast-tracking the Liger Project as it holds the potential to be brought to production swiftly. Focus has resulted in the upgrading of resources to an inferred resource of some 1.46 million ounces in a short term, through drilling and the auditing of previous results.

The Liger Project is comprised of two key properties – Leeuwkop 425 KS and Tigerpoort 426 KS. Platfields' current focus is on the Leeuwkop property.

### Leeuwkop

The Leeuwkop Project is a near-surface PGM target covering approximately 600 hectares at the northwestern end of the Eastern Limb of the Bushveld Complex, immediately west of the Lebowa Platinum Mine of Anoroaq Resources Corporation and Anglo Platinum, and the Bakgaga project of Aquarius.

Exploration data comprises regional surface mapping, airborne magnetics and radiometrics as well as drilling data.

The Leeuwkop Prospecting Right was granted to Multidirect on 6 September 2006, to prospect for gold ore, PGMs, chrome ore, copper ore and nickel over the farm Leeuwkop 425 KS. It was initially valid until 5 September 2009. The renewal was applied for timeously and granted, and the renewed Leeuwkop Prospecting Right commenced on 30 July 2010 and is valid until 29 July 2013.

Multidirect is 100 percent held by Platfields through its Lions Head and Maluti subsidiaries. A letter of grant issued on 4 May 2004 names Multidirect and a third party as joint holders of the unused old order prospecting right. Platfields has purchased the other part, making its holding 100% attributable.

The surface rights over the farm Leeuwkop 425 KS, which comprise the Leeuwkop prospecting right are held by the South African Development Trust.

There is a land claim lodged on farm Leeuwkop 425 KS by the Mathabatha Community which we shall support the community on.

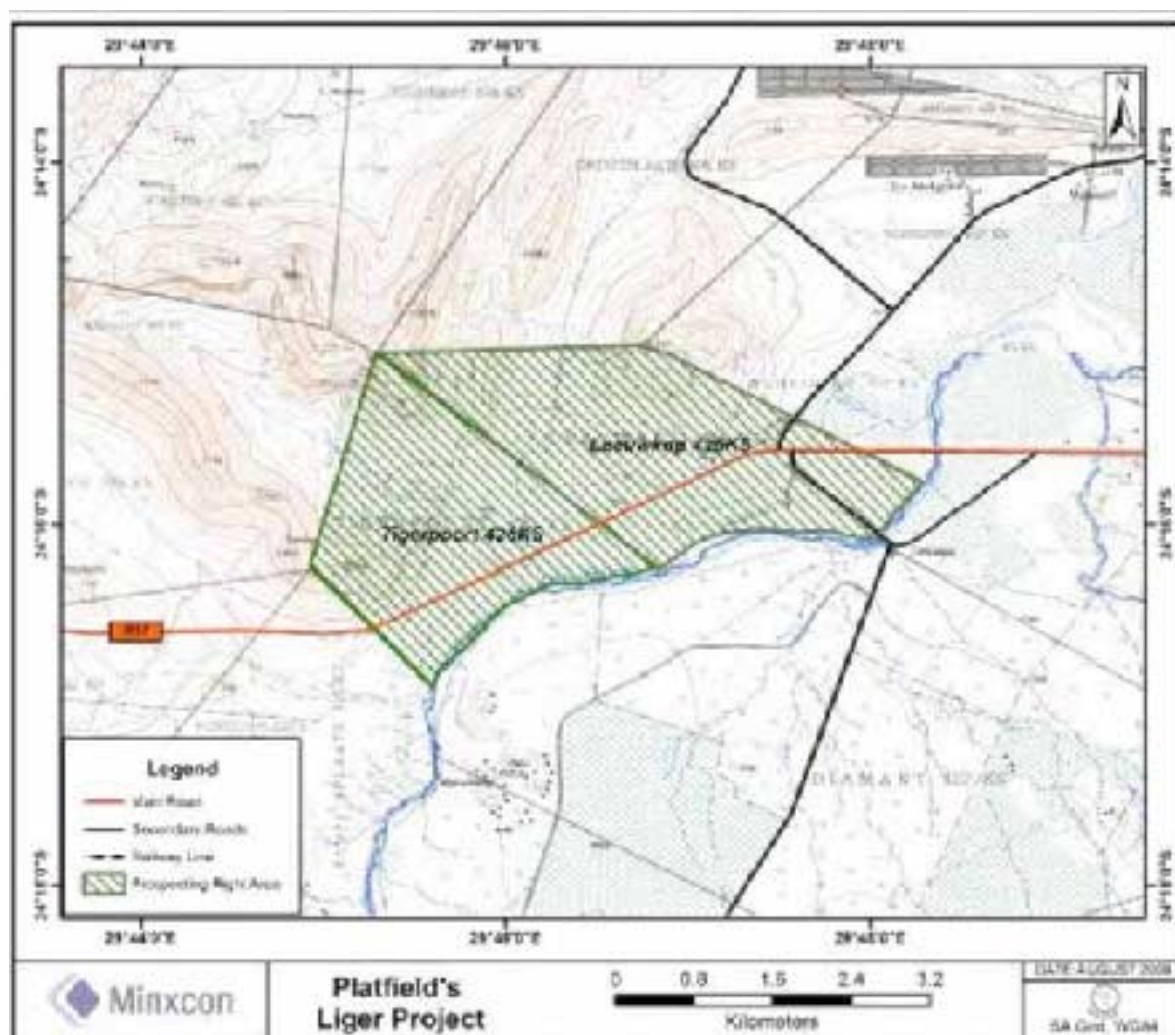
The Company is awaiting confirmation from the Land Claims Commission on the details of this land claim. The presence of a land claim on farm Leeuwkop 425 KS should not pose a risk on the prospecting operations of Platfields as the land claim is in respect of surface rights and Platfields has written permission from the Traditional Council to conduct its business over and under the land.

## Tigerpoort

The Tigerpoort Project extends and enhances Leeuwkop as it forms a natural extension to the mineralisation area. The Tigerpoort Prospecting Right covers some 500 hectares and was granted to Platfields in September 2008. Platfields is still awaiting execution

and registration of the Tigerpoort Prospecting Right. Platfields is aware of an appeal by Anglo Platinum over the grant of the right in favour of Platfields which has resulted in the delay in execution and registration of the prospecting right. Anglo Platinum (Rustplats) has also launched a High Court review application to set aside the decision of the Minister to grant the Tigerpoort Prospecting Right to Platfields. The DMR has requested Platfields to exclude a portion of the total area granted because of the competing right granted. Platfields is negotiating with Anglo Platinum to resolve the dispute over the prospecting area out of court and remove unjust reference to Leeuwkop.

For more information on this matter please refer to the Chief Executive Officer's Report.



**FIGURE 1: LIGER PROJECT INDICATING POSITION OF FARMS AND INFRASTRUCTURE**

Exploration data comprising of regional surface mapping, airborne magnetic and radiometrics, historical drilling data as well as five new core drill holes has resulted in an exploration target and inferred resources for both the Merensky Reef and UG2 Reef. The exploration data was modelled by Minxcon, an independent consultancy, to produce a compliant resource for the Liger Project. The tables below show the Mineral Resources estimated for the Liger Project areas (Leeuwkop 425 KS and Tigerpoort 426 KS).

# Exploration Review (continued))

TABLE 1: THE LIGER INFERRED MR PGM MINERAL RESOURCE PER FARM PORTION

Farm Portion	Resource Category	Cut-off (cm.g/t)	Tonnes (t)	Grade 4E (g/t)	Content (g)	Content (Moz)	SW (cm)	SG t/m <sup>3</sup>
Leeuwkop	Inferred	200	5,667,000	5.08	28,800,000	0.926	105	3.21

TABLE 2: THE LIGER MR PGM EXPLORATION TARGETS ESTIMATED PER FARM PORTION

Farm Portion	Resource Category	Cut-off (cm.g/t)	Tonnes (Mt)	Grade 4E (g/t)	Content (t)	Content (Moz)	SW (cm)	SG t/m <sup>3</sup>
Leeuwkop	Exploration Target	200	5 to 7	3 to 5	15 to 35	0.5 to 1.1	90 to 105	-3.19

TABLE 3: THE LIGER INFERRED UG2 CL PGM MINERAL RESOURCE PER FARM PORTION

Farm Portion	Resource Category	Cut-off (cm.g/t)	Tonnes (t)	Grade 4E (g/t)	Content (g)	Content (Moz)	SW (cm)	SG t/m <sup>3</sup>
Leeuwkop	Inferred	150	3,885,000	4.27	16,576,000	0.533	112	3.46

TABLE 4: THE LIGER UG2 CL PGM EXPLORATION TARGETS ESTIMATED PER FARM PORTION

Farm Portion	Resource Category	Cut-off (cm.g/t)	Tonnes (Mt)	Grade 4E (g/t)	Content (g)	Content (Moz)	SW (cm)	SG t/m <sup>3</sup>
Leeuwkop	Exploration Target	150	9 to 11	3 to 5	27 to 55	0.9 to 1.8	90 to 110	-3.48

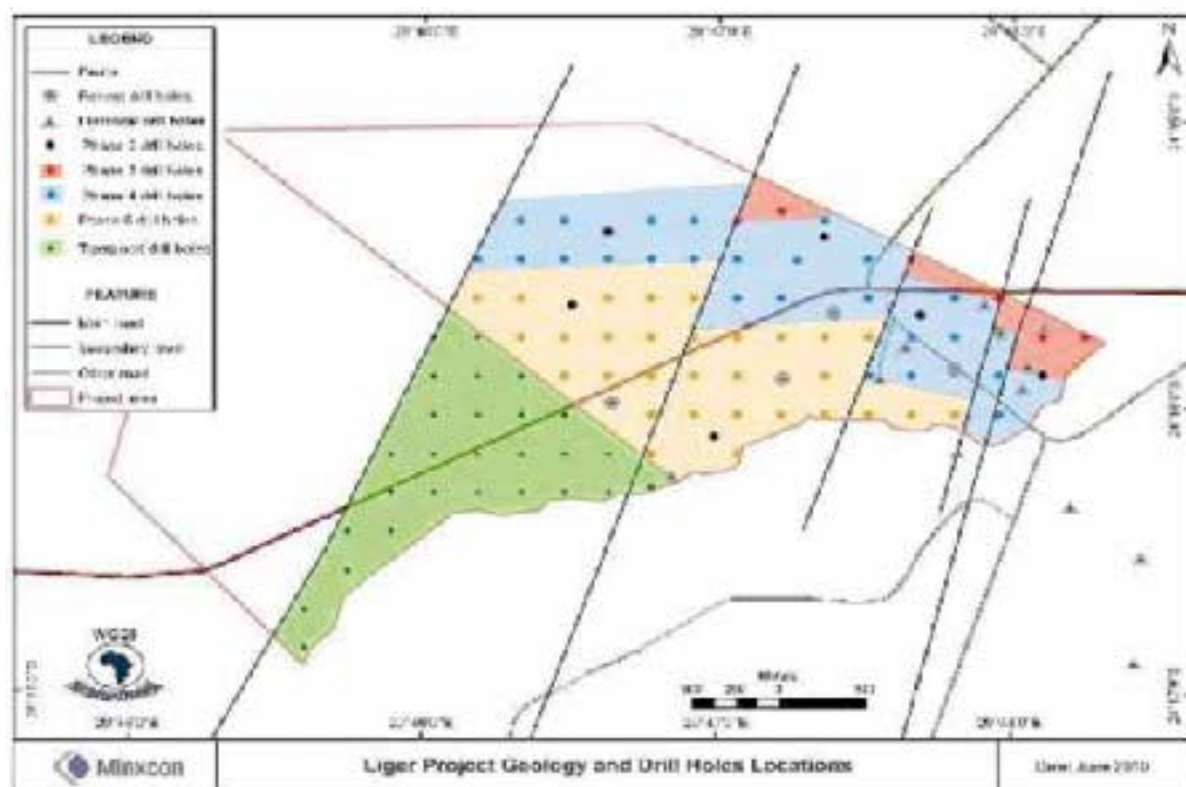


FIGURE 2: LIGER PROJECT INDICATING THE PROPOSED DRILLING PROGRAMME

The drilling will be completed in stages and the drilling results of the various stages will determine the quantity of drilling that is required for the next stage. Therefore not all the proposed drilling will necessarily be completed. However, if the entire project was to be drilled to an indicated resource, the estimated cost will be in the region of R155.20 million resulting in a potential R809.33 million upgrade value. The table below details the required drilling.

**TABLE 5: SUMMARY OF THE REQUIRED DRILLING FOR THE LIGER PROJECT**

Farm portion	# BH	Total metres (m)	Estimated cost (ZARm)
Leeuwkop 425 KS	68	48 333	88.3
Tigerpoort 426 KS	27	40 147	66.9
Total	95	88 480	155.2

As outlined further in the Competent Person's Report (CPR), the Liger Project represents the most attractive opportunity to significantly increase value for the Company and its shareholders. The CPR is available on the Company's website [www.platfields.co.za](http://www.platfields.co.za).

## The Berg Project

The Berg Project was one of the first projects pursued by the Company. The Berg Project is Platfields' most advanced project and is located between the towns of Roossenekal and Dullstroom in Mpumalanga province, in a prime PGM resource zone near the southern end of the Eastern Limb of the Bushveld Complex, close to the Der Brochen project of Anglo Platinum, the Booyensdal project of Northam Platinum Limited and the Everest mining operation of Aquarius.

The Berg Project comprises four contiguous and overlapping prospecting rights (namely the Aquidus Prospecting Right, the Platfields Prospecting Right, the Draaikraal Prospecting Right and the Platinum Mile Prospecting Right), which are known to present both Merensky and UG2 Reefs. Exploration data to date (derived from airborne geophysical surveys, comprehensive field mapping, strontium isotope studies and borehole drilling) indicates a total potential of approximately one million ounces on the farms Kliprivier, Klipbankspruit and Houtenbek. Future focus will be on the other portions of the Berg Project, Aquidus and Draaikraal.

For the period under review, the Group has impaired the Platmile portion of the Berg Project by R47,4 million. This impairment arises from the SAMREC compliant resource statement prepared by Minxcon prior to the listing. The UG2 resource of 3.57 Moz stated in the 2010 Annual Report and reported at a zero cut-off showed a reduction in ounces of 1.53 Moz to 2.04 Moz where directly compared with the Minxcon statement. Moreover the SAMREC compliant resource declared at a 150 cmg/t resource cut-off further reduced the resource by 0.50 Moz to 1.54 Moz.

The above paragraph updates note 2.1 on page 49 of Annual Report.

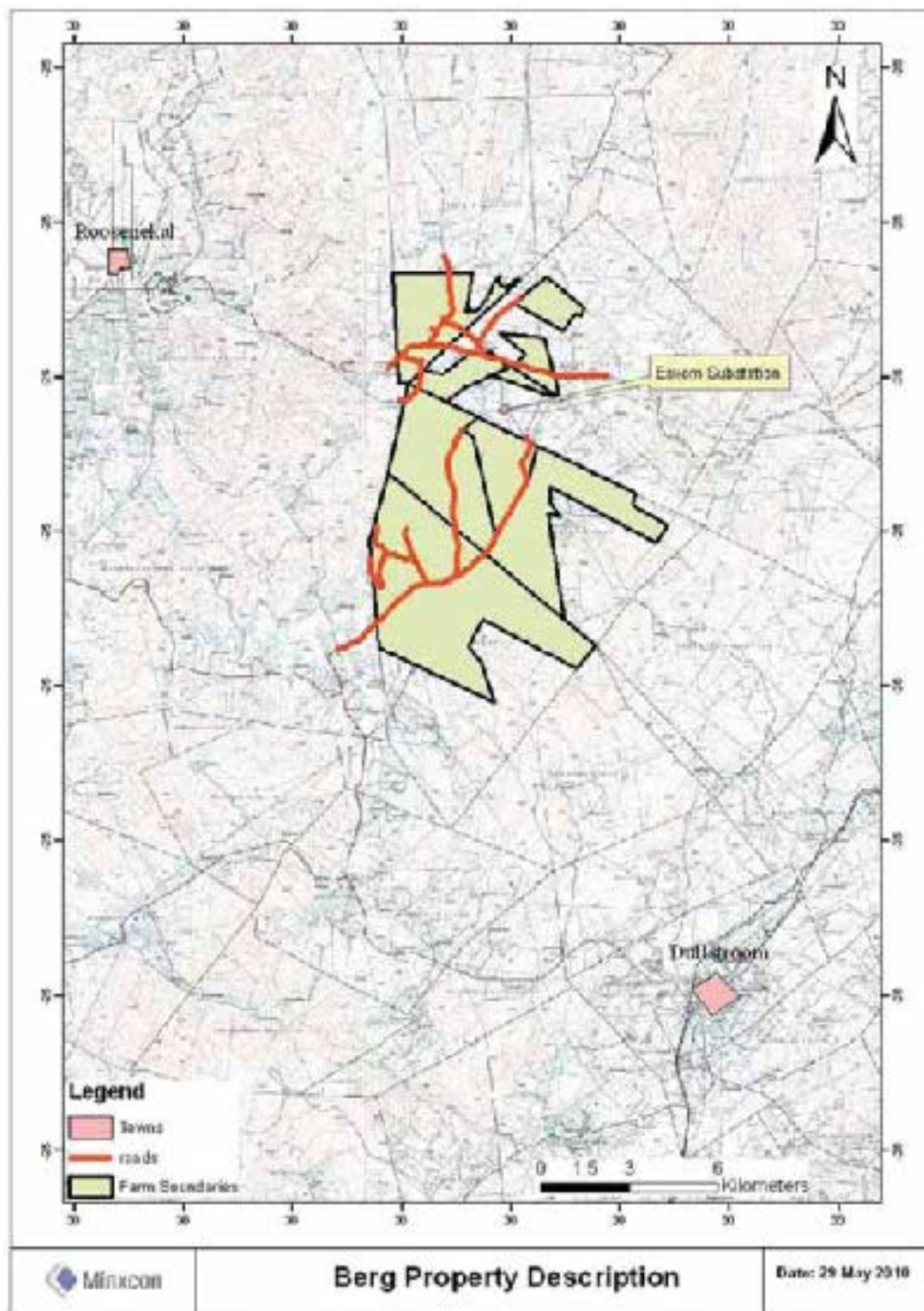
The Aquidus Prospecting Right granted to Aquidus, commenced on 16 November 2006 and expired on 15 November 2009. The renewal application was lodged timeously and granted. The renewed prospecting right expires on 4 August 2013. Platfields entered into a prospecting contract with Aquidus in March 2005 in terms of which Aquidus granted Platfields the sole and exclusive right to prospect for minerals over portion 25 of the farm Kliprivier located in Mpumalanga

and it was agreed by the parties that they would apply to the Minister of Minerals for consent to cede the prospecting right from Aquidus to Platfields. On 15 June 2010, the Minister of Minerals gave its consent to such cession. The cession of the Aquidus Prospecting Right from Aquidus to Platfields still needs to be executed and registered to give formal effect to the cession, but in the interim Platfields is entitled to carry out prospecting activities on the property in terms of its agreement with Aquidus. If Platfields applies for a mining right once the prospecting right is ceded to it, it will be required to pay Aquidus a once-off amount of approximately R2,6 million (comprising R14 000 per hectare in respect of 188 hectares).

Platinum Mile was granted the Platinum Mile Prospecting Right, which commenced on 16 November 2006 and expires on 15 November 2011. On 28 November 2008 Platfields acquired the entire issued share capital of Platinum Mile. On 15 June 2010, the Minister of Minerals consented to the acquisition.

The Platfields Converted Prospecting Right, which encompasses portions of the farms Kliprivier 73 JT and Klipbankspruit 76 JT commenced on 16 November 2006 and expires on 15 November 2011.

The Draaikraal Prospecting Right commenced on 26 February 2009 and expires on 25 February 2014. The surface rights of the properties comprising the Draaikraal Prospecting Right are held by various owners who are unrelated third parties. Although there are no written agreements in place, Platfields and the surface rights holders have verbal agreements, in terms of which Platfields is granted access to the properties to conduct its prospecting activities.



**FIGURE 3: BERG PROJECT INDICATING POSITIONS OF PROPERTIES RELATIVE TO INFRASTRUCTURE**

The Berg Project covers a surface area of approximately 6 200 hectares. To date Platfields has undertaken fairly extensive exploration on the Berg Project which included comprehensive field mapping, geophysical surveys, strontium isotope studies and core drilling. The core drilling was spread over the length of the project and has been illustrated in figure 4. A total of 24 drill holes were drilled which totalled 15 913 m of core.

The drilling results indicate that the Berg Project is a low grade ore body which seems to correlate with the abutment facies that occurs in this region of the Eastern Limb of the Bushveld Complex. As a result of this lower grade, Platfields has placed its exploration focus on the Liger Project. However some exploration is still considered for

the Berg Project to clarify the grade distribution and structures in the Aquidus and Draaikraal areas. This proposed exploration programme has been illustrated in figure 4 below. This exploration would entail an additional 5 776 m being drilled at an estimated budget of ZARm11,5.

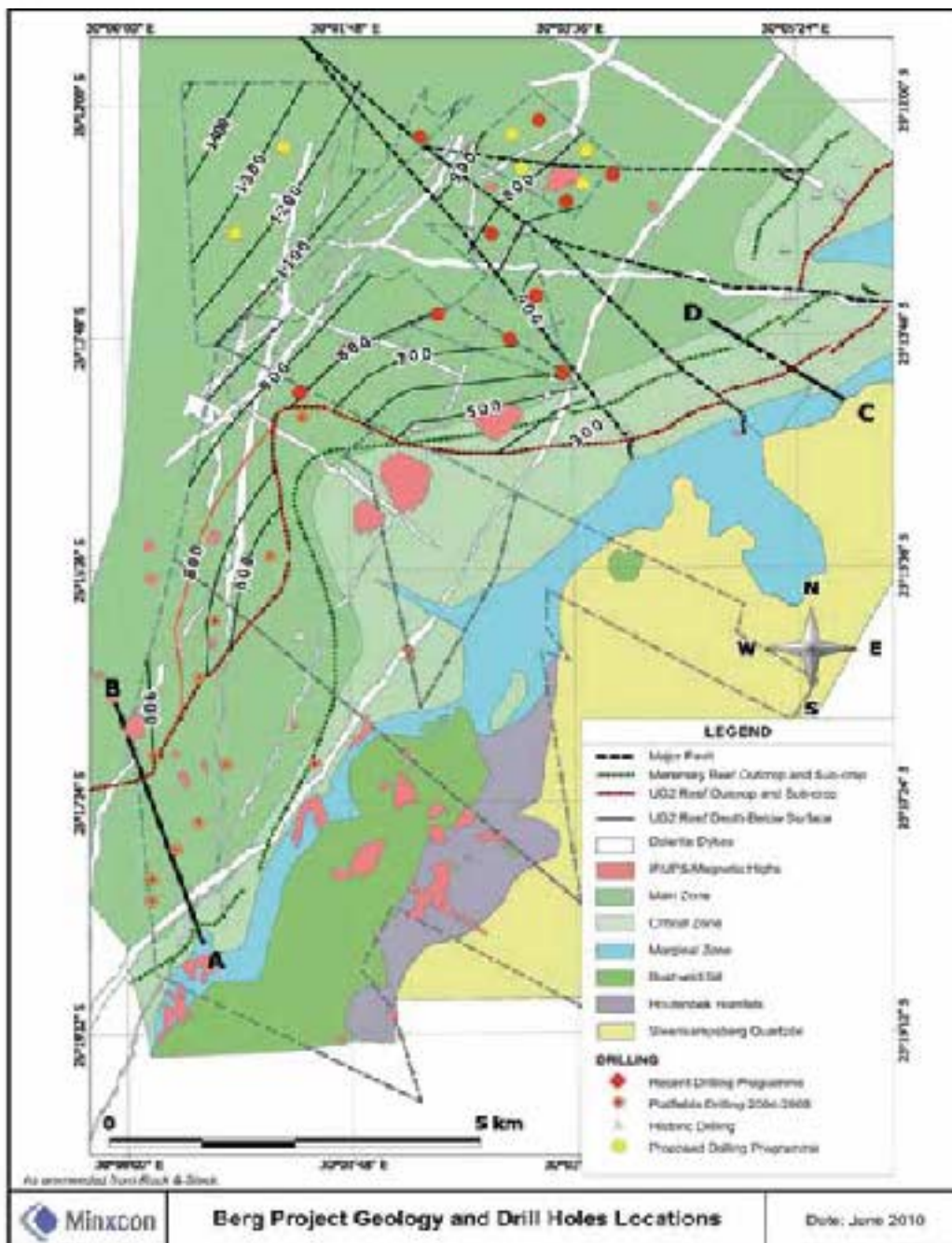


FIGURE 4: BERG PROJECT INDICATING RECENT COMPLETED DRILL PROGRAMME WITH NEW PROPOSED DRILL HOLES

The resource estimate that has been independently declared by Minxcon is summarised in the tables below. The tonnes are metric tonnes and have been calculated over the stope width. The grade is the diluted grade over the stope width.

# Exploration Review (continued))

TABLE 6: BERG BEST CUT INDICATED PGM MINERAL RESOURCES AS AT 30 APRIL 2010

Project Area	Seam	Resource Category	Cut-off (cm.g/t)	Tonnes (t)	Grade 4E (g/t)	Content (g)	Content (Moz)	SW (cm)	SG (t/m <sup>3</sup> )
Berg	MR	Indicated	200	—	—	—	—	—	—
Berg	UG2 CL	Indicated	150	13,685,000	2.17	29,696,450	0.955	119	3.42

TABLE 7: BERG BEST CUT INFERRED PGM MINERAL RESOURCES AS AT 30 APRIL 2010

Project Area	Seam	Resource Category	Cut-off (cm.g/t)	Tonnes (t)	Grade 4E (g/t)	Content (g)	Content (Moz)	SW (cm)	SG (t/m <sup>3</sup> )
Berg	MR	Inferred	200	—	—	—	—	—	—
Berg	UG2 CL	Inferred	150	9,945,000	1.82	18,099,900	0.582	113	3.48

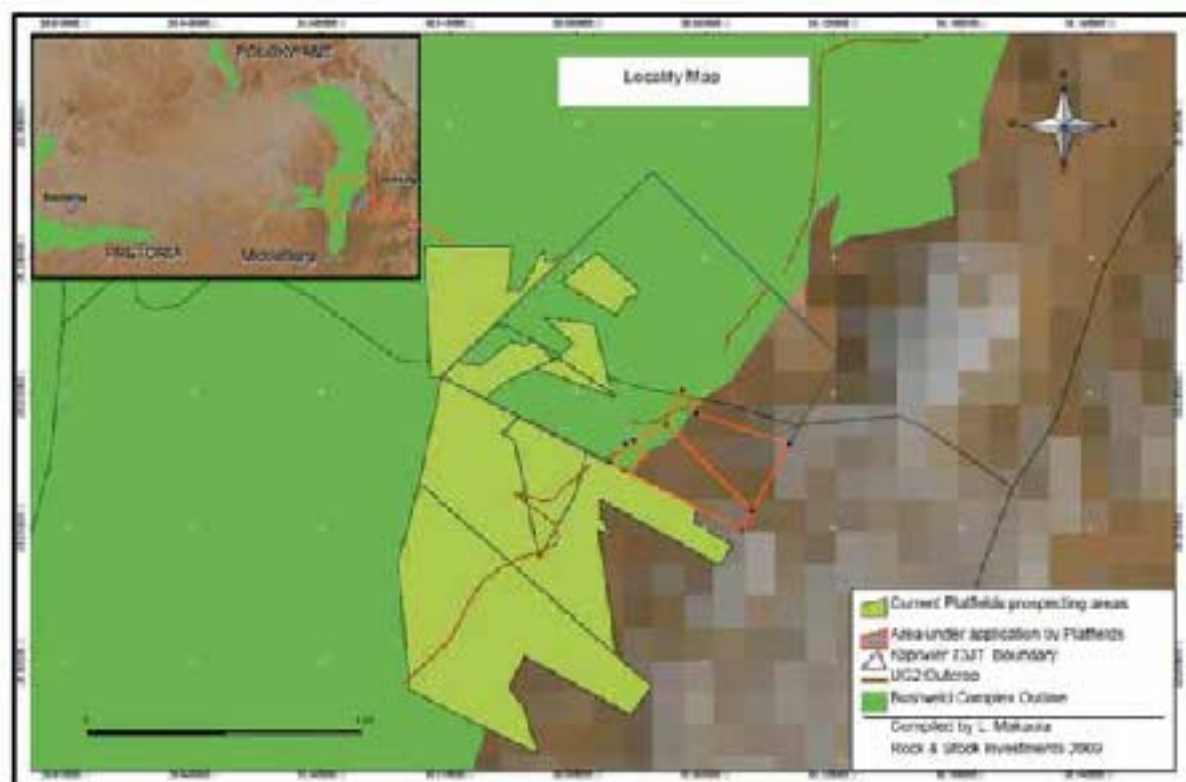


DIAGRAM 1 – APPLICATION AREA FOR 4604PR (RED OUTLINE) AS PART OF THE BERG PROJECT

## B. GOLD

### The Grootfonteinberg Project

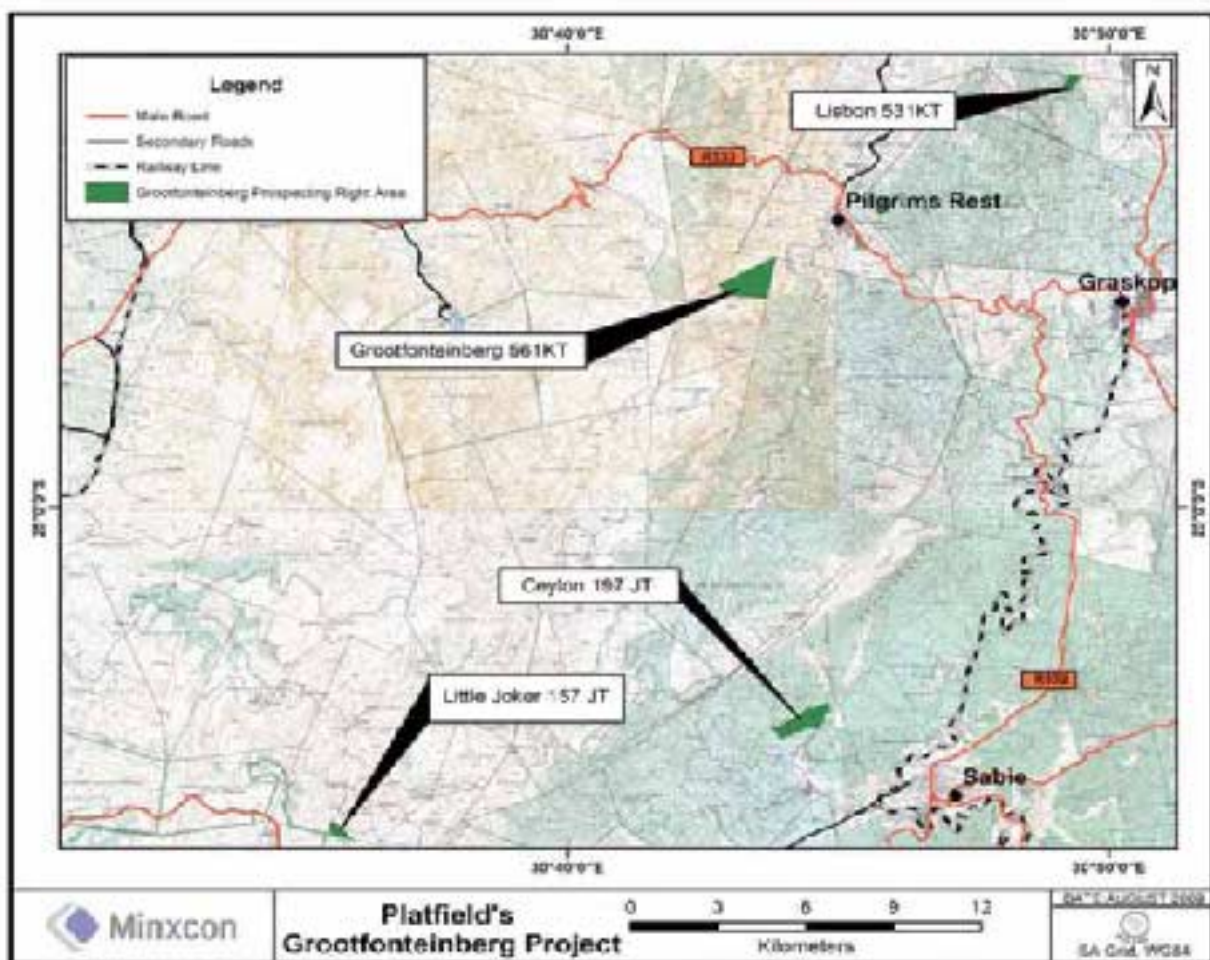
The Grootfonteinberg Project, located near the historic gold mining towns of Pilgrim's Rest, Graskop and Sabie, comprises a single prospecting right held over four farms, which lie adjacent to Simmer and Jack Mines Limited's ("Simmer and Jack") historical Beta Mine. The farms are Lisbon 531 KT, Little Joker 157 JT, Ceylon 197 JT and Grootfonteinberg 561 KT. The farm Grootfonteinberg boundaries overlap with the boundaries of the prospecting right issued to Simmers and Jack while the three other farms boundaries are not affected by the overlap.

Grootfonteinberg covers a total of around 300 hectares in the Transvaal Drakensberg Goldfield. The project targets four discontinuous portions of several farms in the goldfield but the main focus will now shift to Lisbon, Little Joker and Ceylon.

The Grootfonteinberg Project consists of one prospecting right which commenced on 12 October 2006 and expired on 11 October 2009. The prospecting right was executed in October 2006 and was timeously lodged for registration with the MPTRO but has not been registered. A third party, being Simmer and Jack, has executed and registered rights over Grootfonteinberg 561 KT, which is included in this right and this is the reason for the delay in the registration of the prospecting right. The application for renewal was lodged on 31 August 2009. The renewal has not been granted, however, and the prospecting right remains valid until such time as the application for renewal is granted or refused.

The State holds surface rights on the farm Ceylon 197 JT, Lisbon 531 JT and Little Joker 157 JT. The surface rights to the farm Grootfonteinberg 561 KT are held by Mount Sheba Block Limited. There are access agreements in place for the Grootfonteinberg Project.

Platfields have been informed of two land claims lodged in respect of portion 4 of the farm Lisbon 531 JT and farm Ceylon 197 JT. These land claims appear to have not been gazetted. The presence of these land claims should not pose a risk to the prospecting operations of the Company as these land claims are lodged in respect of surface rights.



**FIGURE 5: POSITION OF THE VARIOUS FARM PORTIONS OF THE GROOTFONTEINBERG PROJECT**

As noted above, Grootfonteinberg borders the defunct Beta Mine owned by Simmer & Jack. These mine workings have encroached onto the northern tip of Grootfonteinberg (figure 6) so limited mining is therefore known to have taken place on Grootfonteinberg.

# Exploration Review (continued))



**FIGURE 6: RECENT DRILLING ON GROOTFONTEINBERG 561KT**

Historical exploration work undertaken at Grootfonteinberg included mapping and drilling. Platfields has since completed additional field work, a magnetic survey and another three drill holes.

Due to the lack of data no resource estimate has been calculated for the Grootfonteinberg Project but rather an exploration range. The range with respect to the content is from 250 cm.g/t to 753 cm.g/t (from latest model).

# Corporate Governance Report

## The King Code Corporate Governance Report

The Company is committed to the promotion of good corporate governance as set out in the King Code. The Company intends to continue to comply with the Codes of Corporate Practices and Conduct set out in the Report and to adhere to this insofar as it is possible given the constraints of the size and business of the Company.

## Board of Directors

The Board currently comprises, Dr James Motlatsi (Chairman, Independent Non-Executive Director), Mr Bongani Mbindwane (Chief Executive Officer), Ms Annelise Cilliers (Financial Director), Mr Seth Radebe (Independent Non-Executive Director) and Mr Roy Traviss (Independent Non-Executive Director).

## Composition of the Board

The Board is currently made up of five directors of which three are independent non-executives. The positions of chairman of the Board and that of chief executive officer are separate, with the chairman being non-executive.

A financial director has been appointed in terms of the requirements of the JSE. The directors bring a wide range of diverse experience and insight to the Board. The non-executive chairman oversees the Board's functioning and the chief executive officer leads the executive team and attends to the day-to-day functions of the business.

## Role and function of the Board

The Board is responsible for the effective management and control of the Company and participates in the determination of the strategic direction and policy of the Company, discussions regarding acquisitions and disposals, approval of major capital expenditure, diverse financial and administrative activities and any other matters that may materially impact upon the business of the Company.

The Board meets at least quarterly, with additional meetings convened when necessary.

## Independence of the Board

A balance between non-executive and executive directors is maintained in order to provide a measure of independence to the Board. In addition, all Board committees are chaired by non-executive directors who have no service contracts with the Company, and whose fees are not dependent upon the financial performance of the Company.

All directors have access to the services of the Company secretary and are entitled to seek independent professional advice regarding the affairs of the Company at the Company's expense with the prior approval of the Board of directors.

## Appointments and re-election of the Board

Directors are subject to retirement by rotation and re-election by shareholders in accordance with the Articles of Association of the

Company. The Company has in place a formal process for any additional appointments to the Board. The Board as a whole, acting under the advice of the Remuneration and Nominations Committee, considers and decides (in a transparent and formal manner) on any additional appointments to the Board (which appointees retire and are subject to re-election at the next AGM).

The following director retires by rotation and is available for re-election as director and member of the Audit Committee:

**Thokoana James Motlatsi** – *Honorary Doctorate of Philosophy in Social Sciences; Order of Ramatseatsana (Lesotho)*

Dr Motlatsi was appointed to the Platfields Board of directors in May 2003. He is Chief Executive Officer of TEBA Limited and the Deputy Chairman of AngloGold Ashanti Limited. Dr Motlatsi is also a director of Shanduka Group and the chairman of Verimark Holdings Limited. He is also the owner and Executive Chairman of Ubuntu Mining (Proprietary) Limited. Amongst others, he has been associated with the South African mining industry since 1970 and is a past president of the National Union of Mineworkers and Southern African Miners Federation. He was a Cosatu executive committee member and serves as the Nelson Mandela Children's Fund trustee. He was awarded his doctorate in philosophy in Social Sciences in 2002.

The following director is available for confirmation as director and member of the Audit Committee:

**Seth Malefetsane Radebe** – *CA (SA)*

Is currently the managing director at Rebahale Inc., an audit, tax and advisory services firm. On 6 May 2011 Mr Seth Radebe was appointed to the Platfields Board as an independent non-executive director. Seth previously held senior audit positions in both the public and private sectors including PKF (a leading international business advisory organisation), Deloitte & Touche, the South African Revenue Services and the Auditor General's Office. Seth is a director of Africa Cellular Towers Limited and serves on the Municipal Demarcation Board.

The following director is available for confirmation as member of the Audit Committee:

**Roy Stavelly Traviss** – *B Sc Eng (Min Geol)(Wits); PMD (Cape Town); SMP (Stanford); MDP (UNISA); Mine Managers' Certificate of Competency; Mine Surveyor's Certificate of Competency*

Mr Traviss joined the Platfields Board during August 2008. Mr Traviss was the Managing Director of Zaaipplaats Mining and former Technical Director of Zimco Industries. Mr Traviss's past experience includes being a Section Manager on Welkom gold mine and as an Assistant to the Consulting Engineer at Anglo American Corporation, responsible for Swaziland iron ore, Mapochs iron ore, Kennedy's Vale vanadium and Kanye manganese. Subsequently, as Technical Director of Zimco Industries he had overall responsibility for mines exploiting bentonite, kaolin, talc, attapulgite, dimension stone, magnesite, limestone, various clays, ochres and micaceous iron oxide, as well as the direction of geological prospecting and ore reserve calculations. As Managing Director of Zaaipplaats Mining Limited he had control over a tin mine and two andalusite mines prior to running his own consulting company specialising in mineral right evaluations.

# Corporate Governance Report (continued))

## Chairman

The Chairman acts in accordance with the King Code requirements and oversees the following:

- ensuring that the composition of the Board is balanced;
- acting objectively in his conduct towards the Company;
- ensuring that all Board members are as fully informed as possible on any issue on which a decision is to be made; and
- ensuring that non-executive directors contribute in making business decisions as and when required.

## Division of Responsibility

The position of chairman and chief executive officer are separate and there is a clear line between these roles. The Board is chaired by a non-executive chairman. The chairman provides leadership of the Board and is primarily responsible for ensuring effective corporate governance.

The chief executive officer is responsible for devising, formulating, implementing and maintaining the strategic direction of the Company and attends to day-to-day matters of the Group whilst supervising all operations.

## Internal, Financial and Operating controls

The Board has ultimate responsibility for the internal, financial and operating systems of the Company and for monitoring their effectiveness. These systems are designed to provide reasonable assurance against material misstatement and loss.

The systems, which are monitored by the Audit and Risk Committee on an ongoing basis in order to adapt to changing business circumstances, are designed to provide reasonable safeguards regarding:

- unauthorised disposal or use of Company assets;
- compliance with relevant legislation and regulations; and
- the maintenance of proper accounting records.

The external audit functions provide the Board with monitoring systems for the identification and management of risk.

## Additional governance issues

### Company Secretary

The Company secretary is required to provide the members of the Board with guidance and advice regarding their responsibilities, duties and powers and to ensure that the Board is aware of legislation relevant to or affecting the affairs of the Company. The Company secretary is also responsible for minuting meetings of the Board, committees of the Board and shareholders of the Company.

The Company secretary during the year was Probity Business Services (Pty) Ltd.

Subsequent to year-end/effective 31 July 2011, Probity Business Services (Pty) Ltd resigned as Company secretary and Merchantec Capital was appointed.

## Code of Ethics

The Board subscribes to the highest level of professionalism and integrity in conducting its business and dealings with all its stakeholders and has established an Ethics and Social Committee chaired by Mr Roy Traviss.

In adhering to its code of ethics, the Board is guided by the following broad principles:

- business should operate and compete in accordance with the principles of free enterprise;
- free enterprise will be constrained by the observance of relevant legislation and generally accepted principles regarding ethical behaviour in business;
- ethical behaviour is predicated on the concept of utmost good faith and characterized by integrity, reliability and commitment to avoid harm;
- business activities will benefit all participants through a fair exchange of value or satisfaction of need; and
- equivalent standards of ethical behaviour are expected from individuals and companies with whom business is conducted.

During the year Mr Hattingh, a former director appeared before a disciplinary committee on charges relating to misconduct and was found guilty of same, which led to his resignation from the Board and employment.

## Communication with stakeholders

A policy of effective communication and engagement with all stakeholders in the affairs of the Company is adhered to and the Company seeks to provide a secure, healthy and participative social and working environment for its employees and associates.

## Committees of the Board

The following committees are responsible for assisting the Board in executing its responsibilities. Each committee operates under terms of reference and acts under authority of the Board.

The committees are:

- Audit and Risk Committee;
- Remuneration and Nominations Committee;
- Sustainability and Executive Committee; and
- Ethics and Social Committee (created subsequent to year-end)

### Audit and Risk Committee

The Audit and Risk Committee is responsible for monitoring the adequacy of the Company's financial controls, accounting policies, financial reporting and risk management procedures and internal control systems. The committee sets the principles and approves use of the external auditors for any non-audit services. The committee will furthermore report to stakeholders in annual reports on the manner in which it has executed its responsibilities during the year, including on its assessment of the expertise and experience of the financial director. Operating within its written terms of reference, the committee meets at least three times during the year and provides a mechanism by which the external auditors can report to the Board of directors. In addition to its scheduled meetings, the Audit and Risk Committee may convene special meetings.

The Board requires Audit and Risk Committee members to have the appropriate knowledge and experience to be able to discharge their duties effectively. The Audit and Risk Committee, besides being an essential part of the system of corporate governance, plays a key role in monitoring the effectiveness of the Company's internal control systems.

During the financial year the committee was chaired by Mr Roy Traviss an independent non-executive director. Mr Neville Cornish a non-executive and Mr Uli Schäckermann, an independent non-executive, also served on the committee.

Subsequent to year-end the Committee was re-constituted to comply with the new Companies Act and King III requirements and now comprises Mr Seth Radebe (Independent chairman of the committee), Mr Roy Traviss and Dr James Motlatsi (temporary basis).

In accordance with the provisions of the Companies Act, (as amended) the Audit Committee of the Board comprises at least three members and consists only of independent non-executive directors of the Company.

#### Remuneration and Nominations Committee

The committee comprises only non-executive directors, and considers and assesses the remuneration of the directors and other senior officials in accordance with the Company's remuneration policy for ultimate approval by the Board and/or shareholders at the AGM, as applicable. The committee operates within its written terms of reference as approved by the Board.

Independent external studies and comparisons are used to ensure that remuneration is linked to both individual and Company performance, and supported by suitable incentives. The Company's remuneration philosophy aims to provide market-related remuneration and incentives for executive directors, who are full-time employees of the Group.

The committee also fulfils the role of a nominations committee in terms of which it identifies and recommends the appointment of new directors. The committee works alongside the chief executive officer in this regard. It also satisfies itself that adequate succession plans are in place for the Board and senior management.

#### Board and Committee meetings

Details of attendance at Board and committee meetings during the financial year are set out below (the number in brackets reflects the total number of meetings held during the tenure of the director).

Director	Board	Audit and Risk Committee	Remuneration and Nominations Committee
J.T Motlatsi (Chairman) *	5 (5)		
A. Cilliers (▲FD)	5 (5)		
N. Cornish (*2)	4 (5)	3 (3)	3 (3)
J.P Hattingh (*1)	1 (1)		
D.B. Mbindwane (▲CEO)	5 (5)		
U. Schäckermann ^ (*3)	3 (5)	2 (3)	2 (3)
R.S. Traviss # *	5 (5)	3 (3)	3 (3)

\* Independent non-executive (\*1). Resigned on 23 March 2010

# Chairman of Audit and Risk Committee (\*2). Retired on 4 March 2011

^ Chairman of Remuneration and Nominations Committee (\*3). Resigned on 29 March 2011

▲ Executive

The committee will also review the performance of non-executive directors to ensure that they devote sufficient time to their duties.

The committee was chaired by Mr Uli Schäckermann, an independent non-executive director, and further comprised Mr Neville Cornish a non-executive and Mr Roy Traviss, an independent non-executive director.

Subsequent to year-end the committee was re-constituted and now comprises Dr James Motlatsi (Chairman), Mr Roy Traviss and Mr Seth Radebe.

#### The Sustainability & Executive Committee

The Sustainability and Executive Committee, consisting of the executive directors, attends to day-to-day management including technical evaluation and development of the Company's project areas and is chaired by the chief executive officer.

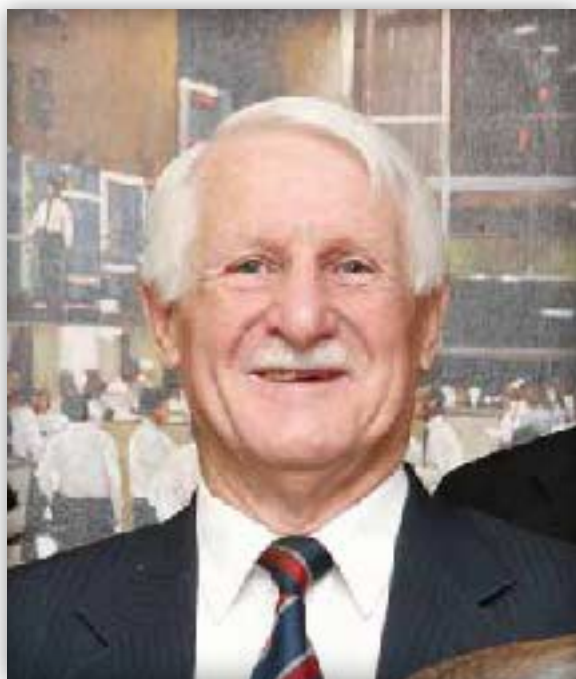
#### Application of King III

The following is a list of the areas where there is non-or inadequate compliance with recommended principles and which the Board will be giving attention to during the forthcoming financial year in order to improve the level of governance.

King III governance element	Principles not fully applied/Focus areas 2012
Audit Committee composition	Board chairman will remain a temporary member of audit committee until a replacement is found
Remuneration Policy	The Board will seek to develop and adopt a formal policy for the ensuing year
IT Policy	Due to the nature of business there is currently no formal IT policy requirement
Integrated Reporting	Refinement and improvement of integrated reporting generally to be implemented.

# Audit Committee Report

for the financial year ended 28 February 2011



Mr Roy Traviss

## Background

The Audit and Risk Committee submits this report as required in terms of the Companies Act of South Africa. This committee consists of three independent directors as required in terms of Section 269A of the Companies Act, 2008.

During the year under review, the committee (R S Traviss [chairman], N H Cornish and U Schäckermann) met three times together with the Financial Director and also representatives of the external auditors. The committee members are financially literate as recommended by King III and the Chairman attended the Annual General Meeting.

The Audit and Risk Committee is guided by its charter.

## Purpose

From an oversight perspective, the committee is primarily responsible for:

- assessing the independence of, and recommending the appointment of, the external auditors
- evaluating the performance of the external auditors
- reviewing the scope and effectiveness of the external and internal audit functions
- determining the fees paid to the auditors and the auditors' terms of reference
- agreeing to the timing and nature of reports from the external auditor
- considering any problems identified in going concern or internal control statements
- ensuring that adequate books and records have been maintained

- identifying areas of the business where significant risks are in existence and require focused attention
- ensuring the integrity, reliability and efficiency of the Company's risk management strategy/policy and insurance portfolios
- ensuring that the Company adheres to the requirements of the relevant regulatory bodies including DMR, JSE and others
- receiving and dealing with any complaints concerning the accounting practices, internal audit or the content and audit of its financial statements or related matters
- ensuring that the expertise and experience of the financial director are appropriate.

## External Audit

The committee is satisfied that the firm and the individual auditor for the 2011 financial year are independent and are accredited as auditors on the JSE Register of Auditors. The committee nominated Grant Thornton as the independent auditor and Kerrin Kuhn as the designated partner. This appointment was approved by shareholders at the Annual General Meeting held on 1 November 2010.

Budgeted audit fees for the financial year ended 28 February 2011 were approved and the scope of the proposed audit work was agreed.

## Risk Management

Risks are continually being identified and mitigated in terms of a process that involves allocating responsibility, developing action plans and monitoring compliance with the action plans.

Operational risks include tenure, geological, metallurgical, geochemical, mining, environmental and sustainability risks. Although the severity of impact of all these risks is high, the probability of impact is reasonably low.

Financial risks include the raising of capital which in terms of severity and impact are considered to be high. Platfields may from time to time require additional capital to conduct its business through future exploration, development, production and acquisitions. Capital raised through the issue of additional equity may be dilutive.

As regards Human Resources Risk, Platfields is dependent on the services of a number of key members of the Board. Due to the Company's small size, the business may be adversely affected by the loss of these individuals as well as its inability to attract and retain suitable replacements.

## Financial Director

As required by the JSE Listing Requirements, the committee confirms that the Company's Financial Director, Ms Annelise Cilliers, has the necessary expertise and experience to carry out her duties.

A handwritten signature in dark ink, appearing to read 'R Traviss', written over a light background.

R S Traviss

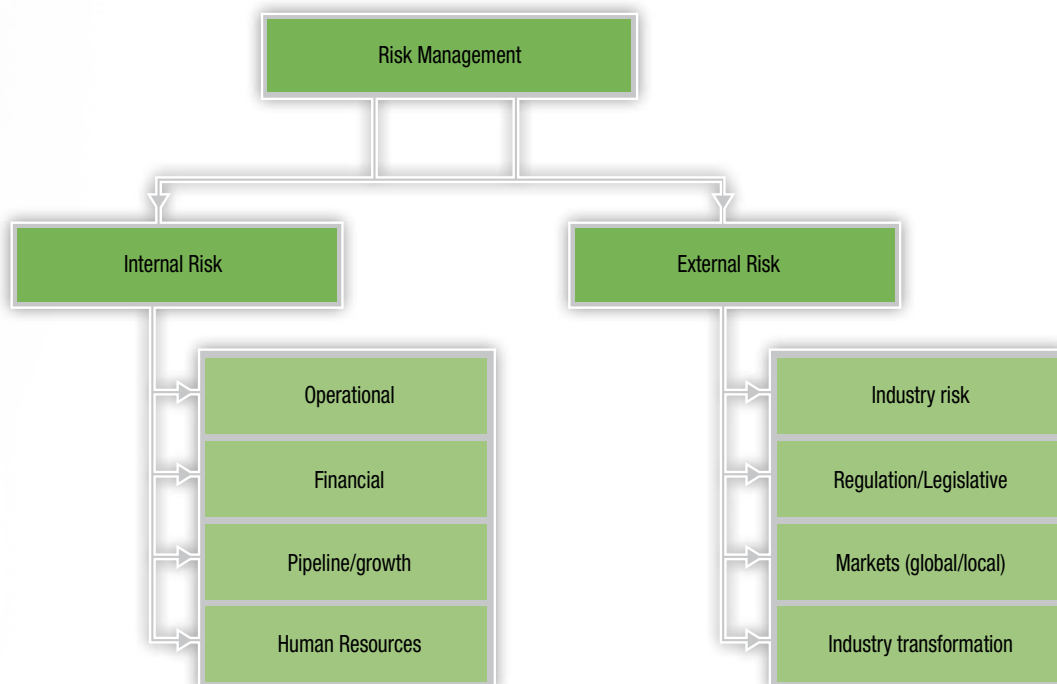
Chairman of the Audit and Risk Committee  
26th May 2011

# Risk Management

Since its inception Platfields has seen risk management as an important part of its duties and responsibilities.

Having established the business from its inception, Platfields has a unique opportunity to manage foreseeable risk areas and put mitigating parameters beforehand.

The Audit and Risk Committee together with the Executive and Sustainability Committee are responsible for the risk inherent to Platfields. The Board resolved to further periodically set as an agenda item risk management and going concern analysis in each meeting of the Board.



## Internal and External Risk

Exploration for minerals is subject to various inherent risks including environmental, industrial accidents, labour disputes, geological misses, mineralisation disturbances and other unfavourable operational events. As part of the analysis we proactively look into these including:

### 1. For operational risks we analyse amongst others:

- Exploration risk
- Mining and prospecting risk
- Environmental risk
- Geological risk
- Metallurgical risk
- Geomechanical risk
- Mining engineering risk
- Sustainability
- Infrastructure

For the mitigation of risks the assessment strategy is devised into clear phases a project has to go through from its acquisition to feasibility.

The phases have identified goals and targets.

### 2. Financial risk

Platfields is not cash generative from its operations and as such carries with it increased financial risk. Going concern is periodically assessed and carefully analysed by the Board and its respective sub-committees.

A specific and general assessment is considered on the following:

- Liquidity risk
- Credit risk
- Capital risk
- Fraud risk
- Insurance
- Share price volatility and dilution

# Risk Management (continued))

## 3. Other Risk areas

The following areas are important in the viability of Platfields.

- Growth opportunities
- Human Resources and key management
- Geopolitical matters

## 4. External risks include:

- Industry risks include the platinum and gold prices and its volatility
- Foreign exchange rates
- Mining legislation and the application thereof
- The Mining Charter

# Sustainability Report

## Our approach to sustainability

As a junior mining and exploration Company operating in South Africa, we recognise that we need to start putting in place those systems and processes that larger players rely on to take up a legitimate and responsible role in a sector which is organised and well-regulated, and which continues to be a significant foreign exchange earner. Operating, as we do, in a country with a well established industry, and as a new entrant in the sector, we at Platfields are also cognisant of the fact that our underlying resources, are frequently found in environments that may be difficult to access, may be in environmentally sensitive areas, or their turning to account may have an adverse impact on surrounding communities.

These factors pose unique challenges for Platfields in its effort to grow a sound, sustainable business with a lasting legacy.

Against this background, Platfields' business plan and investment philosophy is guided by the following broad principles:

- Exploration and mining prospects to focus on less ecologically sensitive areas;
- prospects should indicate a minimum of ten years' life of mine;
- prospects to be limited to human disturbed land with no heritage, townships or significant human dwellings;
- legacy orientated social investment.

Platfields subscribes to the principles of the Mining Charter which further enforces sustainable mining business.

As chief executive officer of this Company, I would like to reassure all stakeholders that we also recognise that sustainable development is a process and not an event. Against an evolving global social and economic scenario, we intend to step up our engagement with our stakeholders in order to better our performance in this area.

As further evidence of the significance of sustainability issues within our organisation, the Board sub-committee on sustainable development has oversight of the various elements and potential risks which our future operations may pose to the long-term sustainability of our business.

### Bongani Mbindwane

Chief Executive Officer

## Corporate governance

Also central to our sustainable development are corporate ethics and governance. In 2010, the Platfields Board adopted the recommendations of the King III Report on Governance in South Africa.

In our audit during the Company listing in December 2010, no material transgressions or areas of non-compliance were established. No fines or sanctions have been levied against Platfields in this regard.

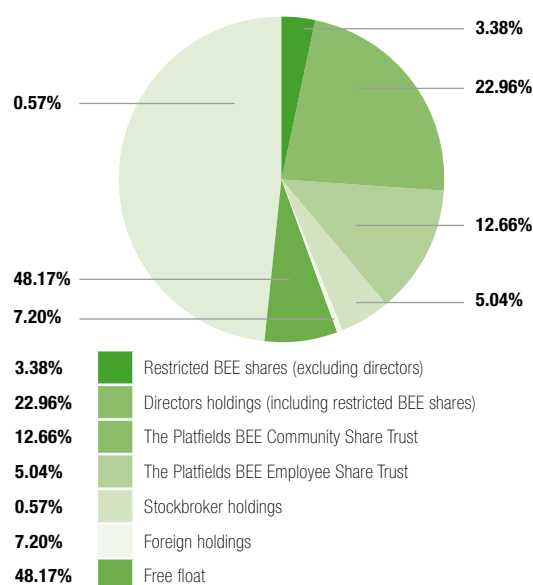
## Supplier management

Platfields is fully committed to the affirmative policy on its supply chain, and wherever possible, we use local suppliers and contractors with Black Economic Empowerment (BEE) credentials.

## Creating a sustainable legacy

Platfields recognises that its ability to operate within the South African mining environment and achieve its strategic objectives is contingent on its BEE shareholding. On the Last Practicable Date, 41% of the total issued shares of Platfields that are in issue are held by BEE Shareholders, which is held subject to the Relationship Agreement.

The beneficiaries of the Platfields' Community BEE Share Trust will be certain previously disadvantaged communities in which Platfields operates and/or from which it draws its labour.



## Environmental management to secure sustainability

As an exploration Company operating in an established, well-regulated resources sector, Platfields is subject to extensive regulations. Environmental compliance is guided by legislation including, inter alia, the Mineral and Petroleum Resources Development Act, the National Environmental Act.

In order to continue our prospecting activities in the Republic of South Africa, the Company is obliged to comply with its Environmental Management Programmes (EMPs), which are submitted by the Company as part of the application process for prospecting rights. On acceptance by the authorities, these programmes form part of the contract entered into with the government of South Africa on the granting of prospecting rights. The Company provides for

# Sustainability Report (continued)

environmental liabilities both by lodging guarantees or cash with the DMR as partial fulfilment of its obligations as the holder of prospecting rights and by prudent budgeting for any unforeseen environmental incidents, which may occur in relation to ongoing prospecting activities.

## Environmental rehabilitation

The Company also provides for ongoing rehabilitation immediately after drilling has been done. Although the current provision for compliance with South African environmental laws and regulations is reasonable, any future changes and development in environmental regulation may adversely affect its operations.

## Climate change and our carbon footprint

Platfields recognises that climate change and carbon emissions need to be considered by the Company, not only in respect of the regulatory and physical risks that this poses, but also in respect of the potential impact this may have on communities in proximity to our operations. We anticipate that South Africa is likely to participate in post-Kyoto agreements and that both carbon emissions caps and taxes are real possibilities in the future. As South Africa's electricity grid is almost entirely coal-based, there is limited opportunity for us to pursue alternative electricity sources, but we will ensure that energy optimisation strategies are built in at the beginning of our projects. As a PGMs Company, we are encouraged that we have the opportunity to make a positive contribution to emissions reduction at a global level as our metals are used in the removal of noxious gases through autocatalysts, and the potential exists for the generation of clean energy through fuel cell technology.

## Our projects and the environment

The surface area at our three projects has all been disturbed by previous agriculture and public activities and is not considered to be a pristine environment.

### Berg Project

Prospecting rights have been approved and executed for the Berg project. The approvals cover EMPs, which are a specific requirement emanating from the MPRDA. All monies or guarantees related to required financial provision for the rehabilitation of prospecting activities have been paid or are lodged with the DMR. The prospecting rights (issued prior to 2009) on Kliprivier, Klipbankspruit and Houtenbek are each covered by provisions of R10,000 (two in the form of cash payments and one as a bank guarantee), for a total of R30,000; while the recently executed prospecting right for Draaikraal is covered by a provision of R18,239.29 paid in cash

to the DMR. The Berg Project in the area of the estimated outcrop and sub-outcrop and down to a depth of approximately 1,000 m is located on the farms Kliprivier, Klipbankspruit and Houtenbek – these farms comprise disturbed agricultural cereal and grazing lands. No environmental issues or concerns are foreseen in the area of potential opencast mining or on the surface area overlying the Merensky Reef up to the 1,000 m depth below surface contour.

### Liger Project

The EMP for Leeuwkop 425 KS was approved for the execution of the prospecting right, and is in Platfields' possession. The required provision of R10,000 for the rehabilitation of prospecting activities has been paid to the DMR. The area of probable mineralisation on the farm Leeuwkop 425 KS is flat lying, transected by a national road (the R37), and furthermore, is heavily overgrazed and has been largely denuded of any woody vegetation by the local populace for cooking and heating fuel. Given the largely disturbed nature of the land, Platfields is unlikely to be burdened with any additional obligations such as resettlement for its potential opencast activities on property.

Notwithstanding the above, cognisance will have to be taken of any possible burial sites, protected fauna and flora and the proximity to the Olifants River channel, all of which has been addressed in the environmental impact study (EIA).

## Grootfonteinberg Project

The necessary EMP for the Grootfonteinberg Project was approved for the execution of the Prospecting Right. All monies or guarantees related to required financial provision for the rehabilitation of prospecting activities have been paid or are lodged with the DMR. The area of probable mineralisation on the farm Grootfonteinberg (and indeed on all four farms covered by the prospecting right) is hilly to mountainous. The farms in question are accessible by dirt roads off regional tarred roads. Historical exploration and mining activities are visible on the farms to varying degrees and no severe opposition to exploration or mining activities is envisaged.

## Projects

### Berg Project

The Berg Project is located in a farming area with a good road network. Current infrastructure for the Berg is adequate for exploration purposes and includes a tarred all weather road through Kliprivier, all weather dirt road access across the farms comprising the project, and an Eskom sub-station on Kliprivier. Access to telecommunications is through cellular service providers and Telkom. The project area on the farms is gently rolling farm land with few manmade structures currently on them and, as such, the construction area for structures such as a concentrating plant and slimes and rock dumps is in excess of envisaged requirements.

Future water requirements for mining and processing are being investigated in conjunction with the Department of Water Affairs (DWA). Water will likely, in future, be obtained through a combination of local water sources including drill holes, surface dams and abstraction from the local water Board.

### Liger Project

Current infrastructure on the Liger Project is excellent for exploration purposes with a tarred all-weather road, the R37 from Burgersfort to Polokwane, crossing the project area, as well as numerous small dirt roads and tracks to access the project area. A one kilometre long, all-weather landing strip is located south of the R37, which services Lebowa Platinum Mine. Electricity is supplied in the area via the national grid with telecommunications being readily accessible. There is sufficient land area available and accessible for the future construction of a plant and dumps.

Future water requirements for mining and processing are being investigated in conjunction with the Department of Water Affairs (DWA). Water will, in future, most likely be obtained through a combination of local water sources including drill holes, surface dams and abstraction from the local water Boards.

### Grootfonteinberg Project

Current infrastructure is sufficient for exploration purposes with easy access via tarred all weather roads, such as the N4 national highway and the R533 (Robbers Pass), leading to numerous small dirt roads and tracks. The closest rail connections are at Graskop, 19 km east of Pilgrims Rest, and at Sabie.

Electricity is supplied in the area via the national grid with telecommunications being readily accessible. Future water requirements for mining and processing are being investigated in conjunction with DWA. Water will, in future, most likely be obtained through a combination of local water sources including drill holes, surface dams and abstraction from the local water Boards. An area for future construction of items such as a plant and dumps is available and is not envisaged to cause any future problems.

A number of recreational lodges and resorts offering recreational activities such as hunting and fishing are located within close proximity to the area of interest. Careful consultation and mining plans that respond to sustainable mining will be the key to this project proceeding to mining. There is evidence of small pits in the area, which are unrelated to the MR and UG2 CL, and there is a small settlement just off the road to the north. Mineral resources have been estimated in this sustainable development report to the right of the Stofpoort fault.

## Prospecting and exploration in a sustainable way

### Prospecting in a sustainable way

Currently, the Company directly or indirectly controls its prospecting right and actively carries out exploration activities in all material prospecting right areas. In December 2000 the Department of Minerals and Energy published the Minerals Development Bill, which is based on the principle that mineral resources are part of South Africa's national patrimony and that the state is the custodian of the nation's mineral resources. There are various requirements in place for the holders of prospecting and mining rights and Platfields is working within the framework of these requirements in order to remain compliant with legislation. No major impact on the Company's holding of its prospecting right is expected.

Platfields will continually monitor and review exploration progress to ensure it complies with its prospecting work programmes accepted by the DMR (and revised annually) and to ensure that the prospecting work is delivering the expected results. In this light the various prospecting programmes are continuously amended and adjusted to comply with Platfields' desired outcomes. The programmes and their progress is assessed in conjunction with the Company's appointed SACNASP registered geologists, who ensure that all work conducted in terms of the exploration programme is done according to industry best practice and that the appointed contractors and sub-contractors are competent and work according to the accepted standards. Key to its operations, Platfields will seek to continue enhancing and increasing its asset base and never be a single prospect Company to sustain its business.

### Safety and health

Platfields' workforce is comprised mainly of sub-contractors in the various professional disciplines as well as drilling. The Company regards all its sub-contractors as its employees thus ensuring that it takes full responsibility for the safety and health of the workers on the exploration sites.

The CEO with Exco is responsible for safety and health and reports to the Board.

From inception of its works programme in 2003 there have been no incidents reported.

### Social investment

While Platfields is an exploration and development Company and thus does not generate any earnings at this stage, the Company is mindful of its role in the broader community and particularly the communities in proximity to its exploration projects. Platfields supports the Bushveld Foundation, which was established in 2006, to identify, implement

# Sustainability Report (continued))

and co-ordinate holistic community development programmes and projects, and to improve the quality of life of particularly vulnerable children and youth in the Limpopo Province. The programme provides support for school fees and uniforms, a vegetable garden and other infrastructural development initiatives. To date, Platfields has contributed R2.5 million to the Bushveld Foundation, to be spent over the next four years.

## Target Group

Currently the Bushveld Foundation is supporting 50 orphans and vulnerable children at Tlangelani, 65 children at Itsani and 15 at Thohoyandou. Support takes the form of providing and collecting medication for these children. Needy children are identified during home visits with a youth care worker.

## Other community activities

### Village food gardens

Children receive meals after school from Monday to Friday.

### After school care programme

This programme benefits over 100 children, where they get taught about hygiene, HIV/AIDS, teenage pregnancy, substance abuse, careers. There are also extracurricular activities such as drama, indigenous games, and sports activities such as soccer, netball and volleyball.

### Impact of the programme

- Children feel a sense of belonging through the programme.
- By meeting other children, children's social needs are met through the programme.
- Children's talents are also identified during the programme.
- Children's performance at school is reported to have improved since they started benefiting from the programme.
- Children's school attendance has increased and they take fewer sick days.

# Financial Statements



# Directors' Responsibilities and Approval of the Annual Financial Statements

and Group Annual Financial Statements

The directors are required by the South African Companies Act, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and Group annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements and Group annual financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards (IFRS). The external auditors are engaged to express an independent opinion on the consolidated annual financial statements. Their opinion is presented on page 36.

The annual financial statements and Group annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors' acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully

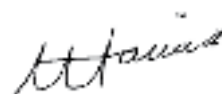
eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements and Group annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's cash flow forecast for the year to 29 February 2012 and, in the light of this review and the current financial position, they are satisfied that the Company and the Group have access to adequate resources to continue in operational existence for the foreseeable future.

The Board of directors are responsible for the financial affairs of the Company and the Group.

The annual financial statements and Group annual financial statements set out on pages 37 to 59, which have been prepared on the going concern basis, were approved by the Board of directors on 25 May 2011 and were signed on its behalf by:



**JT Motlatsi**  
Chairman



**A Cilliers**  
Financial Director

# Certificate by Company Secretary

for the financial year ended 28 February 2011

In terms of the Companies Act, 1961 of 1973 (as amended) and the Companies Act, 71 of 2008 (as amended) ("the Companies Act"), we certify that, to the best of our knowledge, the Company has lodged with the Registrar of Companies all such returns as are required by a public Company in terms of the Companies Act and that all such returns are true, correct and up to date.



**Probity Business Services (Pty) Ltd**

Company Secretary

25 May 2011



# Report of the Independent Auditors

We have audited the Group annual financial statements and annual financial statements of Platfields Limited, which comprise the consolidated and separate statements of financial position as at 28 February 2011, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 37 to 59.

## Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

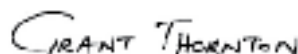
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the

entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Platfields Limited as at 28 February 2011, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.



**Grant Thornton**

Chartered Accountants (SA)  
Registered Auditors

**per KT Kuhn**  
Chartered Accountant (SA)  
Registered Auditor

**26 May 2011**

Grant Thornton Office Park  
137 Daisy Street  
Sandown  
Johannesburg  
2196

# Directors' Report

for the financial year ended 28 February 2011

The directors have pleasure in submitting their report for the financial year ended 28 February 2011:

## 1 Nature of business and review of activities

Platfields is a mining and exploration Company which explores and evaluates its prospecting rights and assets. The Group focuses on the exploration for, and the evaluation of precious metals in southern Africa with a view to mining.

## 2 Exploration expenditure

Exploration expenditure for the year amounted to R1,721,946 (2010: R20,898,679).

Exploration expenditure envisaged for the future will be funded from internal resources and finance raised by the issue of share capital.

## 3 Interests in subsidiaries

Details of the Company's subsidiaries are set out in note 3 of the notes to the annual financial statements.

## 4 Going concern

The financial statements have been prepared using the appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The directors have a reasonable expectation that the Group has adequate resources to continue as a going concern in the foreseeable future, as the Company has sufficient funds to meet its commitments and obligations as they fall due. In addition to the cash funds available, the Company will also raise cash by the issue of shares.

The planned prospecting activities of the Group will be financed by raising new capital.

## 5. Share Capital

The Company issues shares in order to generate funds for exploration.

The movement in share capital is set out below:

Ordinary Shares	Number of shares
<b>Opening balance</b>	<b>454,579,199</b>
Share-based payments	10,500,000
Share subscription rights exercised	500,000
Issue for cash (BEE shares, subsequently converted)	121,778,136
Conversion of BEE-class shares	202,239,670
<b>Closing balance</b>	<b>789,597,005</b>

No share repurchases took place during the year under review.

## 6 Special resolutions

The following Special Resolutions were passed at a Special General Meeting of shareholders held on 1 November 2010 (and subsequently registered on 18 November 2010 by CIPRO):

- General authority to effect share repurchases;
- Authority to convert the BEE-class shares into ordinary shares;
- Authority to adopt new memorandum and articles of association (to make it JSE compliant);
- Authority to increase the authorised share capital from 1,000,000,000 shares of R0.00001 each to 2,000,000,000 shares of R0.00001 each.

## 7 Dividends

No dividends were declared or paid during the year.

## 8 Share incentive scheme

The Group has a share incentive scheme. This scheme provides performance based incentives to both executive directors and employees in terms of which ordinary shares can be issued to the participants when targets have been met.

682,438 shares were granted to the executive directors during the year under review. These shares will be allotted after the year-end.

## 9 Directors and Secretary

The directors in office during the financial year under review were:

<b>James Thokoana Motlatsi</b>	Chairman (non-executive)
<b>Derrick Bongani Mbindwane</b>	Chief executive officer
<b>Annelise Cilliers</b>	Financial director (executive)
<b>Neville Hawthorn Cornish</b>	Non-executive director
<b>Roy Stavely Traviss</b>	Non-executive director
<b>Ulrich Schäckermann</b>	Non-executive director

The following directors resigned subsequent to year-end:

Neville Hawthorn Cornish	4 March 2011
Ulrich Schäckermann	29 March 2011

Subsequent to year-end (effective 5 May 2011), Seth Radebe was appointed to the Board as independent non-executive director and as member of both the audit and risk committee and of the remuneration and nominations committee.

# Directors' Report (continued)

for the financial year ended 28 February 2011

At the forthcoming AGM, the following directors will be up for re-election: JT Motlatsi (by rotation) and S Radebe (as newly appointed director).

The secretary of the Company is Probit Business Services (Pty) Ltd

Business address: Third Floor, The Mall Offices  
11 Cradock Avenue  
Rosebank  
Johannesburg

Postal address: PO Box 85392  
Emmarentia  
2029

## 10 Directors' interest

### – In contracts

Other than the related party transactions referred to in note 21 of the annual financial statements, no contracts were entered into in which the directors of the Company were materially interested, either during or at the end of the financial year.

No material change has taken place between the year-end and the date of this report.

### – In the share capital of the Company

The interest of directors in the share capital of the Company as at 28 February 2011 were as follows.

	Ordinary shares			% held
	Direct Beneficial	Indirect Beneficial	Restricted ordinary shares	
Annelise Cilliers	1,300,000	–	20,000,000	2.70
Bongani Mbindwane	10,164,622	2,313,348	100,000,000	14.24
James Motlatsi	1,104,000	–	37,500,000	4.89
Neville Cornish	–	8,783,393	–	1.12
Roy Traviss	200,000	–	–	0.03
<b>Total</b>	<b>12,768,622</b>	<b>11,096,741</b>	<b>157,500,000</b>	<b>22.98</b>

Subsequent to year-end 682,438 shares were issued to D.B. Mbindwane (427,000) and to A Cilliers (255,438) in terms of the Company's share incentive scheme.

## 11 Borrowing powers

In terms of the articles of association, the directors have unlimited borrowing powers. The directors did not borrow any funds during the year under review.

## 12 Auditors

Grant Thornton remained in office during the year. The appointment of the auditors is contained in the notice of the annual general meeting.

## 13 Events after period end

No material events have occurred since the period end that require additional disclosure or adjustment.

## 14 Corporate governance

The directors endorse the Code of Corporate Practices and Conduct as set out in the King III Report on Corporate Governance.

## 15 Risks

Risks relating to the business of Platfields include:

### 15.1 Financial risk

#### Liquidity risk

The Group's risk to liquidity is affected by the availability of funds to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and cash facilities. Cash Flow forecasts are prepared and monitored.

#### Interest rate risk

Deposits and all cash balances attract interest at rates that vary

with prime. The Group policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profit/loss.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and other receivables. The Group only deposits cash with major banks of high quality credit standing and limits exposure to anyone counterparty.

#### Capital risk management

The Group ensures that it maintains a strong credit rating and good capital ratios in order to support its operations and to maximise shareholder value. The Group manages its capital structure and makes adjustments to it as required from time to time. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

## 15.2 Operational risk

#### Mining and prospecting risk

Currently, the Company directly controls its prospecting rights. In December 2000 the Department of Minerals and Resources ("DMR") published the Minerals Development Bill, which is based on the principle that mineral resources are part of South Africa's national patrimony and that the state is the custodian of the nation's mineral resources.

There are various requirements in place for the holders of prospecting and mining rights and Platfields is working within the framework of these requirements in order to remain compliant with legislation and retain their granted rights. Any legislative changes or the failure of Platfields to meet its obligations to the DMR may negatively impact on Platfields' holding of prospecting rights and hence its core business. No major impact on the Company's holding of its prospecting rights is expected.

Platfields continually monitors and reviews exploration progress to ensure it complies with its prospecting work programmes accepted by the DMR (and revised annually) and to ensure that the prospecting work is delivering the expected results. In this light the various prospecting programmes are continually amended and adjusted to comply with Platfields' desired outcomes. The programmes and their progress are assessed in conjunction with the Company's appointed, SACNASP-registered geologists, who in addition ensure that all work conducted in terms of the

exploration programme is done according to industry best practice and that the appointed contractors and sub-contractors are competent and work according to the accepted standards.

#### Environmental risk

As an exploration Company, Platfields is subject to environmental regulations. The Company has experienced and expects a continuation of rising costs from compliance with South African environmental laws and regulations. The Mineral and Petroleum Resources Act, the National Environmental Management Act, and the administrative policies of the South African government all regulate the impact of Platfields' prospecting operations on the environment. In terms of Platfields' prospecting activities in the Republic of South Africa, the Company is obliged to comply with the Environmental Management Programmes which are submitted by the Company as part of the application process for prospecting rights. These programmes are accepted and form part of the contract entered into with the government of South Africa on the granting of prospecting rights. The Company provides for environmental liabilities both by lodging guarantees or cash with the DMR as partial fulfilment of their obligations as the holder of prospecting rights and by prudent budgeting for any unforeseen environmental incidents which may occur in relation to their ongoing prospecting activities. The Company also provides for ongoing rehabilitation immediately after drilling has been done. No payments are effected to suppliers until the land has been rehabilitated. Although the current provision for compliance with South African environmental laws and regulations is reasonable, any future changes and development in environmental regulation may adversely affect its operations.

# Statements of Financial Position

for the financial year ended 28 February 2011

	Notes	Group		Company	
		2011 R	2010 R	2011 R	2010 R
<b>Assets</b>					
<b>Non-current assets</b>					
Exploration assets	2	56,690,146	64,085,779	56,330,705	63,726,338
Investments in subsidiaries	3	–	–	29,673,491	27,958,744
		<b>56,690,146</b>	<b>64,085,779</b>	<b>86,004,196</b>	<b>91,685,082</b>
<b>Current assets</b>					
Trade and other receivables	4	132,786	274,128	112,786	254,128
Cash and cash equivalents	5	19,574,675	37,910,349	19,574,675	37,910,349
		<b>19,707,461</b>	<b>38,184,477</b>	<b>19,687,461</b>	<b>38,164,477</b>
<b>Total assets</b>		<b>76,397,607</b>	<b>102,270,256</b>	<b>105,691,657</b>	<b>129,849,559</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	6	7,896	4,546	7,896	4,546
Share premium	7	235,752,629	236,012,629	235,752,629	236,012,629
Share-based payments reserve	8	65,605,904	48,423,898	65,605,904	48,423,898
Accumulated loss		(261,486,864)	(188,455,782)	(232,192,814)	(160,876,479)
		<b>39,879,565</b>	<b>95,985,291</b>	<b>69,173,615</b>	<b>123,564,594</b>
<b>Non-current liabilities</b>					
Long-term liability	9	31,983,840	–	31,983,840	–
<b>Current liabilities</b>					
Short-term portion of long-term liability	9	2,000,000	–	2,000,000	–
Trade and other payables	10	2,534,202	6,284,965	2,534,202	6,284,965
		<b>4,534,202</b>	<b>6,284,965</b>	<b>4,534,202</b>	<b>6,284,965</b>
<b>Total liabilities</b>		<b>36,518,042</b>	<b>6,284,965</b>	<b>36,518,042</b>	<b>6,284,965</b>
<b>Total equity and liabilities</b>		<b>76,397,607</b>	<b>102,270,256</b>	<b>105,691,657</b>	<b>129,849,559</b>

# Statements of Comprehensive Income

for the financial year ended 28 February 2011

	Notes	Group		Company	
		2011 R	2010 R	2011 R	2010 R
Exploration expenditure	11	(1,721,946)	(20,898,679)	(9,900)	(169,249)
Operating expenses		(14,776,501)	(10,259,735)	(14,773,800)	(10,259,735)
<b>Operating loss</b>	12	<b>(16,498,447)</b>	<b>(31,158,414)</b>	<b>(14,783,700)</b>	<b>(10,428,984)</b>
Interest received		2,189,034	4,247,250	2,189,034	4,247,250
<b>Loss from operations</b>		<b>(14,309,413)</b>	<b>(26,911,164)</b>	<b>(12,594,666)</b>	<b>(6,181,734)</b>
Impairment		(47,395,633)	(77,856,537)	(47,395,633)	(77,856,537)
BEE share transaction	14	(17,020,266)	(4,767,431)	(17,020,266)	(4,767,431)
Notional interest		6,016,160	–	6,016,160	–
Share-based payments (fair value)		(321,930)	(7,846,228)	(321,930)	(7,846,228)
Social Corporate Investment		–	(2,500,000)	–	(2,500,000)
<b>Loss for the period</b>		<b>(73,031,082)</b>	<b>(119,881,360)</b>	<b>(71,316,335)</b>	<b>(99,151,930)</b>
Other comprehensive income		–	–	–	–
<b>Total comprehensive loss for the period</b>		<b>(73,031,082)</b>	<b>(119,881,360)</b>	<b>(71,316,335)</b>	<b>(99,151,930)</b>
Loss per ordinary share (cents):	20	10.97	26.37	10.71	21.81
Diluted loss per ordinary share (cents):	20	10.96	23.81	10.70	19.70

# Statements of Changes in Equity

for the financial year ended 28 February 2011

	Share capital R	Share premium R	Total share capital R	Share-based payments reserve R	Accumulated loss R	Total equity R
<b>Group</b>						
<b>Balance at 01 March 2009</b>	<b>4,545</b>	<b>236,012,629</b>	<b>236,017,174</b>	<b>35,809,739</b>	<b>(68,574,422)</b>	<b>203,252,491</b>
Changes in equity:						
Total comprehensive loss for the year	–	–	–	–	(119,881,360)	(119,881,360)
Issue of shares for cash	1	–	1	–	–	1
Issue of shares – BEE class	–	–	–	500	–	500
BEE share scheme (fair value)	–	–	–	4,767,431	–	4,767,431
Share-based payments (fair value)	–	–	–	7,846,228	–	7,846,228
<b>Balance at 01 March 2010</b>	<b>4,546</b>	<b>236,012,629</b>	<b>236,017,175</b>	<b>48,423,898</b>	<b>(188,455,782)</b>	<b>95,985,291</b>
Changes in equity:						
Total comprehensive loss for the year	–	–	–	–	(73,031,082)	(73,031,082)
Issue of shares for cash	2,850	–	2,850	–	–	2,850
Issue of shares – BEE class	500	–	500	(500)	–	–
Share issue expenses	–	(260,000)	(260,000)	–	–	(260,000)
BEE share scheme (fair value)	–	–	–	16,860,576	–	16,860,576
Share-based payments (fair value)	–	–	–	321,930	–	321,930
<b>Balance at 28 February 2011</b>	<b>7,896</b>	<b>235,752,629</b>	<b>235,760,525</b>	<b>65,605,904</b>	<b>(261,486,864)</b>	<b>39,879,565</b>
<b>Company</b>						
<b>Balance at 01 March 2009</b>	<b>4,545</b>	<b>236,012,629</b>	<b>236,017,174</b>	<b>35,809,739</b>	<b>(61,724,549)</b>	<b>210,102,364</b>
Changes in equity:						
Total comprehensive loss for the year	–	–	–	–	(99,151,930)	(99,151,930)
Issue of shares for cash	1	–	1	–	–	1
Issue of shares – BEE class	–	–	–	500	–	500
BEE share scheme (fair value)	–	–	–	4,767,431	–	4,767,431
Share-based payments (fair value)	–	–	–	7,846,228	–	7,846,228
<b>Balance at 01 March 2010</b>	<b>4,546</b>	<b>236,012,629</b>	<b>236,017,175</b>	<b>48,423,898</b>	<b>(160,876,479)</b>	<b>123,564,594</b>
Changes in equity:						
Total comprehensive loss for the year	–	–	–	–	(71,316,335)	(71,316,335)
Issues of shares for cash	2,850	–	2,850	–	–	2,850
Issue of shares – BEE class	500	–	500	(500)	–	–
Share issue expenses	–	(260,000)	(260,000)	–	–	(260,000)
BEE share scheme (fair value)	–	–	–	16,860,576	–	16,860,576
Share-based payments (fair value)	–	–	–	321,930	–	321,930
<b>Balance at 28 February 2011</b>	<b>7,896</b>	<b>235,752,629</b>	<b>235,760,525</b>	<b>65,605,904</b>	<b>(232,192,814)</b>	<b>69,173,615</b>

# Statements of Cash Flows

for the financial year ended 28 February 2011

	Notes	Group		Company	
		2011 R	2010 R	2011 R	2010 R
<b>Cash flows from operating activities</b>					
Cash used in operations	15	(20,267,558)	(30,580,254)	(18,552,811)	(9,850,824)
Interest received		2,189,034	4,247,250	2,189,034	4,247,250
<b>Net cash from operating activities</b>		<b>(18,078,524)</b>	<b>(26,333,004)</b>	<b>(16,363,777)</b>	<b>(5,603,574)</b>
<b>Cash flows from investing activities</b>					
Acquisition of exploration assets	16	(40,000,000)	–	(40,000,000)	–
Loans advanced to subsidiaries	3	–	–	(1,714,747)	(20,729,430)
<b>Net cash from investing activities</b>		<b>(40,000,000)</b>	<b>–</b>	<b>(41,714,747)</b>	<b>(20,729,430)</b>
<b>Cash flows from financing activities</b>					
Proceeds from share issues	17	2,850	501	2,850	501
Share issue expense	7	(260,000)	–	(260,000)	–
Loan advanced by Majestic Silver Trading 222 (Pty) Ltd	9	40,000,000	–	40,000,000	–
<b>Net cash from financing activities</b>		<b>39,742,850</b>	<b>501</b>	<b>39,742,850</b>	<b>501</b>
<b>Total cash movement for the year</b>		<b>(18,335,674)</b>	<b>(26,332,503)</b>	<b>(18,335,674)</b>	<b>(26,332,503)</b>
Cash at the beginning of the year		37,910,349	64,242,852	37,910,349	64,242,852
<b>Total cash at the end of the year</b>	5	<b>19,574,675</b>	<b>37,910,349</b>	<b>19,574,675</b>	<b>37,910,349</b>

# Accounting Policies

for the financial year ended 28 February 2011

## 1 Presentation of Consolidated Annual Financial Statements

The Annual Financial Statements and Group Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and the Companies Act of South Africa, 1973. The Annual Financial Statements and Group Annual Financial Statements have been prepared on the historical cost basis, unless otherwise stated, and incorporate the principal accounting policies set out below:

These accounting policies are consistent with the previous year. The Group has adopted all of the new Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for all annual reporting periods beginning on 1 March 2009.

### Adoption of revised standards

During the year the Company and the Group adopted the following new standard:

- IFRS 9 (Financial instruments: classification and measurement)  
IFRS 9 was issued in November 2009 and amended in October 2010. The standard introduces new requirements for the classification and measurement of financial assets and financial liabilities.

The adoption of IFRS 9 has not had a material impact on the Group or Company.

### 1.1 Exploration assets

Exploration and evaluation costs of obtaining and securing prospecting, surface, access and mining rights for projects are capitalised until a final feasibility study has been completed which demonstrates that future economic benefits are possible. The acquisitions are recorded at cost and where the purchase consideration is settled by means of equity instruments, cost is determined with reference to the fair value of the equity instrument. The capitalised costs are presented as intangible exploration and evaluation assets. When a decision is taken that a mining project is capable of commercial production, and that it is probable that the future economic benefits will flow to the Company, and the asset has a cost or value that can be measured reliably, the exploration and evaluation asset is amortised over the estimated life of the mine once production commences. For the purposes of assessing impairment, the recoverable amount is assessed using fair value less cost to sell the specific exploration area in terms of note 1.5 on page 46. If a project is abandoned, the capitalised costs are expensed in the statement of comprehensive income.

### 1.2 Investments in subsidiaries

#### Group consolidated annual financial statements

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible, are taken into account. The financial statements of subsidiaries are included in the Group annual financial statements from the date that control commences until the date that control ceases.

Intra-Group balances and any unrealised gains and losses or income and expenses arising from intra-Group transactions, are eliminated in preparing the Group annual financial statements.

#### Company annual financial statements

In the Company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company; plus
- any costs directly attributable to the purchase of the subsidiary.

### 1.3 Financial instruments

#### Initial recognition

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the Group's Statement of financial position when the Group becomes party to the contractual provisions of the instrument.

#### Loans to Group companies

These include loans to fellow subsidiaries and subsidiaries and are recognised initially at fair value plus direct transaction costs.

Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

### 1.3 Financial instruments (continued)

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

#### Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

#### Financial liabilities

The Group's principle financial liabilities are trade and other payables and other non-interest bearing borrowings which are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest rate.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

### 1.4 Significant judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The preparation of the financial statements in conformity with IFRS requires the Group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates may differ from actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### Exploration Results, Mineral Resource and Mineral Reserve estimates

Exploration results include data and information generated by exploration programmes that may be of use to investors. Information relating to exploration targets is not estimates of Mineral Resources or Mineral Reserves. The term Resource(s) or Reserve(s) is not used in this context. All statements referring to potential quantity and grade of the target are expressed as ranges and include a detailed explanation of the basis for the statement; such statements are referred to as Exploration Targets.

A 'Mineral Resource' is a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model. Mineral Resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated or Measured categories.

A 'Mineral Reserve' is the economically mineable material derived from a Measured and/or Indicated Mineral Resource. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project, or a Life of Mine Plan for an operation, must have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the Modifying Factors). Such modifying factors must be disclosed. Because the economic assumptions used to report on exploration targets and estimate resources and reserves change from period to period, and because additional geological data is generated during the course of operations, exploration targets and estimates of resources and reserves may change from period to period. Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including the following:

- assets carrying values may be affected due to changes in estimated cash flows;
- depreciation, depletion and amortisation charged in the statement of comprehensive income may change where such charges are determined by the units-of-production basis, or where the useful economic lives of assets change; and

# Accounting Policies (continued)

for the financial year ended 28 February 2011

## 1.4 Significant judgements (continued)

- decommissioning, site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities.

### Impairment of exploration assets

The exploration assets of the Company and the Group is assessed annually in term of 1.5 below.

### Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

## 1.5 Impairment of assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group also tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit and loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

## 1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the Company reacquires its own equity instruments, those treasury shares are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

## 1.7 Share-based payments

The Company issues equity to settle certain transactions in shares and not in cash. These payments are measured at the fair value of the service provided. If the fair value of the service cannot be determined, the share-based payment is measured at the fair value of the equity instrument at the date of the allocation.

### Employee remuneration

The Group operates equity settled share-based compensation plans for employees and executive directors. The costs of these arrangements are measured by reference to their fair value at the date on which they are granted. The fair value is charged as an expense in determining operating profit, with a corresponding credit to equity.

### BEE shareholding

The cost of introducing BEE shareholding is measured by reference to the fair value of the rights granted at the time. The fair value is expensed in determining the profit before taxation at the date the grant is made, with the corresponding credit to equity.

## 1.8 Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is proposed relating to the granting of prospecting and/or mining rights. Such costs arising from prospecting activities and the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged against profits over the life of the operation, through the depreciation of the asset and the unwinding of the discount on the provision. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

## 1.9 Exploration and evaluation expenditure

Exploration and evaluation expenditure include the costs of geographical studies and costs associated with physical geological, exploration and prospecting work. This expenditure is charged to the statement of comprehensive income as incurred until a final feasibility study has been completed which demonstrates that future economic benefits are possible. When a decision is taken that a mining project is capable of commercial production and that is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably, all subsequent pre-production expenditure is capitalised.

## 1.10 Translation of foreign currencies

### Foreign currency transactions

The Group results are presented in South African Rands, the currency in which most of its business is conducted.

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in

previous annual Group financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in equity, any exchange component of that gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

## 1.11 Employee benefits

### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

## 1.12 Tax

### Deferred tax assets and liabilities

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date.

A deferred taxation asset is recognised only if there is sufficient evidence that there will be suitable future profits against which the deferred tax can be claimed.

## 1.13 New and amended standards and interpretations not yet effective

The following new standards, or revisions to current standards, have been issued with effective dates applicable to future financial statements of the Group. Only those standards not yet adopted and that could be expected to be applicable to the Group are set out below:

# Accounting Policies (continued)

for the financial year ended 28 February 2011

Statement Date Effective:

- IAS 1 – Presentation of Financial

Statements

1 January 2010

The amendment clarifies that a liability which could, at the option of the counterparty, result in its settlement by the issue of equity instruments, does not affect its classification as current or non-current.

- IAS 7 – Statement of Cash Flows 1 January 2010

The amendment provides that expenditure may only be classified as 'cash flows from investing activities' if it resulted in the recognition of an asset on the statement of financial position.

- IAS 27 – Consolidated and Separate Financial Statements

1 July 2010

Amends the transition requirements to apply certain consequential amendments arising from the 2008 IAS 27 amendments prospectively, to be consistent with the related IAS 27 transition requirements.

- IFRS 7 – Financial Instruments:

Disclosures

1 January 2011

Clarifies the disclosure requirements of the standard to remove inconsistencies, duplicative disclosure requirements and specific disclosures that may be misleading.

- IAS 34 – Interim Financial Reporting 1 January 2011

Aims to improve interim financial reporting by clarifying disclosures required, including the interaction with recent improvements to the requirements of IFRS 7 Financial Instruments: Disclosures.

- IAS 24 – Related party disclosure 1 January 2011

The IASB has amended the definition of a related party to clarify the intended meaning and remove some inconsistencies. For example, the revised Standard makes it explicitly clear that in the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

- IFRIC 19 – Extinguishing financial liabilities with equity instruments 1 July 2010

IFRIC 19 addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability. These transactions are sometimes referred to as "debt for equity Swaps".

- Amendments to IFRS 2: Group cash-settled share-based payment transactions

The main purpose of the Amendments to IFRS 2 is to specify the accounting, in the financial statements of an entity that received goods or services from its suppliers (including employees), for similar arrangements that are share-based and cash-settled when the entity itself does not have any obligation to make the required payments to its suppliers.

The amendments to IFRS 2 clarifies that an entity that receives goods or services from its suppliers (including employees) must apply IFRS 2 even where it itself has no obligation to make the required share-based cash payments.



# Notes to the Annual Financial Statements

for the financial year ended 28 February 2011

	Group		Company	
	2011 R	2010 R	2011 R	2010 R
<b>2. Exploration assets</b>				
The Berg Project	12,830,255	60,225,888	12,823,655	60,219,288
The Leeuwkop Project	42,359,891	2,359,891	42,007,050	2,007,050
The Grootfonteinberg Project	1,500,000	1,500,000	1,500,000	1,500,000
	<b>56,690,146</b>	<b>64,085,779</b>	<b>56,330,705</b>	<b>63,726,338</b>
<b>Reconciliation of exploration assets</b>				
Balance at the beginning of the year	64,085,779	141,942,316	63,726,338	141,582,875
Additions	40,000,000	–	40,000,000	–
Impairment – The Berg Project	(47,395,633)	(77,856,537)	(47,395,633)	(77,856,537)
<b>Balance at the end of the year</b>	<b>56,690,146</b>	<b>64,085,779</b>	<b>56,330,705</b>	<b>63,726,338</b>

## 2.1 The Berg Project

Prospecting rights for Platinum Group Metals ("PGM") in the Eastern Limb of the Bushveld complex in Mpumalanga, South Africa.

The Berg Project comprises three contiguous farms Kliprivier, Klipbankspruit and Hoek van Holland. Platfields holds its prospecting rights directly and under its subsidiary Platinum Mile Investments 359 (Pty) Ltd ("Platmile") and through a prospecting contract with Aquidus CC. The Berg Project included in the amount above only refers to the Platmile portions of the project.

For the period from the last financial statements, the Group has further impaired the Platmile portion of the Berg Project by R47,4 million. This impairment arises from recent exploration results and better understanding of the project as well as applying a mining cut to the situ grades as previously reported. The cut-off applied reduced the reported ounces from 1,21 Moz to 89,000 oz which relates mainly to the Merensky reef. The unit value increased because of improved confidence levels as the resource was categorised as inferred and indicated instead of exploration targets.

The Berg Project and its viability is reported on the Independent Competent Persons Report.

The current fair value of the Berg project as a whole is estimated at R116 million.

## 2.2 The Leeuwkop Project

The Leeuwkop project consists of a single new order prospecting right over the farm Leeuwkop 425KS which is situated in the Sekhukhune Magisterial District in the Limpopo Province, South Africa.

The prospecting rights for Platinum Group Metals ("PGM") at the north-western end of the Eastern Limb of the Bushveld complex.

During the period under review the Company acquired a potential claim of a third party to 50% of the prospecting rights over the farm Leeuwkop for R40 million.

The current fair value of the Leeuwkop project is estimated at R112 million.

# Notes to the Annual Financial Statements (continued)

for the financial year ended 28 February 2011

## 2. Exploration assets (continued)

### 2.3 The Grootfonteinberg Project

The Grootfonteinberg Project is a gold target in the Transvaal Drakensberg Goldfield.

The Grootfonteinberg project consists of a new order prospecting right for gold over four farms in the Magisterial District of Pilgrims Rest in Mpumalanga Province, South Africa. The four properties are Lisbon 531 JT, Ceylon 197 JT, Little Joker 157 JT and Grootfonteinberg 561 KT. There is an overlapping right over the Grootfonteinberg 561 KT portion of the prospecting area. Platfields remain confident that the dispute will be resolved with the DMR and the third party concerned.

The current fair value of the Grootfonteinberg project is estimated at R1,5 million.

## 3. Investments in subsidiaries

At fair value through profit and loss

Shares	% holding 2011	% holding 2010	Carrying amount 2011	Carrying amount 2010
Lion's Head Platinum II (Pty) Ltd ( <i>Investment holding Company</i> )	100	100	352,941	352,941
Maluti Platinum Resources (Pty) Ltd ( <i>Investment holding Company</i> )	100	100	1	1
Marula Minerals (Pty) Ltd ( <i>Gold exploration Company</i> )	100	100	100	100
Platinum Mile Investments 359 (Pty) Ltd ( <i>Platinum exploration Company</i> )	100	100	1,000	1,000
			<b>354,042</b>	<b>354,042</b>
<b>Loans to subsidiaries</b>				
Lion's Head Platinum II (Pty) Ltd			6,830,421	5,942,757
Maluti Platinum Resources (Pty) Ltd			488,246	487,797
Marula Minerals (Pty) Ltd			2,800,151	2,692,030
Platinum Mile Investments 359 (Pty) Ltd			19,200,631	18,482,118
			<b>29,319,449</b>	<b>27,604,702</b>
These loans are unsecured, interest free and repayment has been deferred until mining commences.				
<b>Total investment in subsidiaries</b>			<b>29,673,491</b>	<b>27,958,744</b>
Net operating loss in subsidiaries for the year			<b>1,714,747</b>	<b>20,729,430</b>

	Group		Company	
	2011 R	2010 R	2011 R	2010 R
<b>4. Trade and other receivables</b>				
Prepayments	48,118	2,000	48,118	2,000
Value Added Tax refunds due	41,280	228,740	41,281	228,740
DMR land rehabilitation deposits	43,388	43,388	23,387	23,388
	<b>132,786</b>	<b>274,128</b>	<b>112,786</b>	<b>254,128</b>
The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.				
<b>5. Cash and cash equivalents</b>				
Momentum Cash Management Fund	15,345,298	34,593,931	15,345,298	34,593,931
Bank balances	4,229,377	3,316,418	4,229,377	3,316,418
	<b>19,574,675</b>	<b>37,910,349</b>	<b>19,574,675</b>	<b>37,910,349</b>
<b>6. Share capital</b>				
<b>Authorised</b>				
2,000,000,000 ordinary shares of R0.00001 each	20,000	–	20,000	–
740,000,000 ordinary shares of R0.00001 each	–	7,400	–	7,400
260,000,000 BEE-class ordinary shares of R0.00001 each	–	2,600	–	2,600
	<b>20,000</b>	<b>10,000</b>	<b>20,000</b>	<b>10,000</b>
<b>Issued</b>				
789,597,005 ordinary shares of R0.00001 each	7,896	–	7,896	–
454,579,199 ordinary shares of R0.00001 each	–	4,546	–	4,546
	<b>7,896</b>	<b>4,546</b>	<b>7,896</b>	<b>4,546</b>
<b>Reconciliation of the number of ordinary shares</b>				
Beginning of the year	454,579,199	454,479,199	454,579,199	454,479,199
Shares issued for cash	121,778,136	–	121,778,136	–
Share options exercised	11,000,000	100,000	11,000,000	100,000
Conversion of BEE shares	202,239,670	–	202,239,670	–
Shares issued and fully paid	789,597,005	454,579,199	789,597,005	454,579,199
Shares authorised for issue	682,438	21,800,000	682,438	21,800,000
<b>Total shares authorised</b>	<b>790,279,443</b>	<b>476,379,199</b>	<b>790,279,443</b>	<b>476,379,199</b>

11,000,000 of the 21,800,000 shares authorised for share subscription rights have been issued in the current year. 10,800,000 of these share subscription rights have been cancelled. 682,438 shares have been authorised for issue in the current financial year in terms of the Company's long-term share incentive scheme.

# Notes to the Annual Financial Statements (continued)

for the financial year ended 28 February 2011

	Group		Company	
	2011 R	2010 R	2011 R	2010 R
<b>6. Share capital (continued)</b>				
1,210,402,995 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.				
<b>7. Share premium</b>				
The proceeds received in addition to the nominal value of the shares issued are included in share premium after taking into account share issue expenses. Share premium has also been recorded in respect of shares issued as share-based payments.				
Opening balance at 1 March	236,012,629	236,012,629	236,012,629	236,012,629
Premium on shares issued during the year	–	–	–	–
Share issue expenses	(260,000)	–	(260,000)	–
	<b>235,752,629</b>	<b>236,012,629</b>	<b>235,752,629</b>	<b>236,012,629</b>
<b>8. Share-based payments reserve</b>				
The share-based payment reserve relates to expenses incurred by the Group and equity-settled awards to employees. The difference between fair value at the grant date and the fair value at the vesting date represents the reserve. (refer to notes 13 and 14)				
BEE share scheme	39,823,433	22,963,358	39,823,433	22,963,358
Shares awarded to directors	25,782,471	25,460,540	25,782,471	25,460,540
	<b>65,605,904</b>	<b>48,423,898</b>	<b>65,605,904</b>	<b>48,423,898</b>
<b>Reconciliation of BEE-class ordinary shares</b>				
Beginning of the year	145,411,872	50,000,000	145,411,872	50,000,000
Shares granted during the year	79,588,128	95,411,872	79,588,128	95,411,872
Grants cancelled during the year	(22,760,330)	–	(22,760,330)	–
Shares granted during the year	202,239,670	145,411,872	202,239,670	145,411,872
Shares authorised for issue	–	79,588,128	–	79,588,128
Shares converted to ordinary shares	(202,239,670)	–	(202,239,670)	–
<b>Total shares authorised</b>	<b>–</b>	<b>225,000,000</b>	<b>–</b>	<b>225,000,000</b>

	Group		Company	
	2011 R	2010 R	2011 R	2010 R
<b>9. Long-term liability</b>				
Majestic Silver Trading 222 (Pty) Ltd	40,000,000	–	40,000,000	–
Less: Notional interest	(6,016,160)	–	(6,016,160)	–
Less: Current portion transferred to current liabilities	(2,000,000)	–	(2,000,000)	–
	<b>31,983,840</b>	<b>–</b>	<b>31,983,840</b>	<b>–</b>
The balance outstanding will be settled based on the fund-raising of Platfields as follows:				
– if R100 million is raised, the loan will be settled 100%				
– if R50 million is raised, 40% of the loan will be settled.				
– if up to R25 million is raised, 25% of the loan will be settled.				
Settlement is due by 18 January 2013.				
The loan is unsecured and interest free.				
<b>10. Trade and other payables</b>				
Payroll creditors	833,435	446,787	833,435	446,787
Listing costs	777,272	–	777,272	–
Exploration creditors	551,898	5,134,111	551,898	51,134,111
Other accruals	371,597	704,067	371,597	704,067
	<b>2,534,202</b>	<b>6,284,965</b>	<b>2,534,202</b>	<b>6,284,965</b>
All amounts of trade and other payables are short term. The carrying values are considered to be a reasonable approximation of fair value.				
<b>11. Exploration expenditure</b>				
The Berg Project	718,062	13,236,916	–	–
The Leeuwkop Project	886,314	4,963,074	–	–
The Grootfonteinberg Project	107,670	2,529,440	–	–
Other	9,900	169,249	9,900	169,249
	<b>1,721,946</b>	<b>20,898,679</b>	<b>9,900</b>	<b>169,249</b>
Exploration expenditure was incurred in physical geological, exploration, prospecting work and drilling.				
<b>12. Operating loss</b>				
The Operating loss for the year is stated after charging:				
<b>Auditors' remuneration</b>				
Fees for the audit	235,000	147,945	235,000	147,945
Consulting and other services	125,000	230,477	125,000	230,477
	<b>360,000</b>	<b>378,422</b>	<b>360,000</b>	<b>378,422</b>

# Notes to the Annual Financial Statements (continued)

for the financial year ended 28 February 2011

	Group		Company	
	2011 R	2010 R	2011 R	2010 R
<b>12. Operating loss (continued)</b>				
<b>Remuneration paid to service providers other than employees</b>				
For Company secretarial services	102,728	188,349	102,728	188,349
Consulting and professional fees	177,595	476,624	177,595	476,624
	<b>280,323</b>	<b>664,973</b>	<b>280,323</b>	<b>664,973</b>
Listing costs	<b>4,591,231</b>	<b>1,431,257</b>	<b>4,591,231</b>	<b>1,431,257</b>
<b>13. Directors' emoluments</b>				
<b>2011</b>				
<b>For services as directors</b>				
<b>Executive directors</b>	<b>Salaries</b>	<b>Bonuses</b>	<b>Share-based compensation – Employment</b>	<b>Total</b>
D B Mbindwane	1,639,200	2,329,637	184,940	4,153,777
A Cilliers	1,094,400	336,128	110,634	1,541,162
J P Hattingh	68,900	–	–	68,900
	<b>2,802,500</b>	<b>2,665,765</b>	<b>295,574</b>	<b>5,763,839</b>
<b>Non-executive directors</b>		<b>Fees</b>	<b>Share-based compensation – Terms of service</b>	<b>Total</b>
J T Motlasi		254,625	–	254,625
N H Cornish		194,682	–	194,682
R S Traviss		319,219	26,357	345,576
U Schäckermann		193,500	–	193,500
		<b>962,026</b>	<b>26,357</b>	<b>988,383</b>
<b>Total emoluments</b>		<b>6,430,291</b>	<b>321,931</b>	<b>6,752,222</b>
<b>2010</b>				
<b>For services as directors</b>				
<b>Executive directors</b>	<b>Salaries</b>		<b>Share-based compensation – Employment</b>	<b>Total</b>
D B Mbindwane	1,422,000		3,817,992	5,239,992
J P Hattingh	810,900		3,817,992	4,628,892
A Cilliers	954,000		288,390	1,242,390
	<b>3,186,900</b>		<b>7,924,374</b>	<b>11,111,274</b>

	Group		Company	
	2011 R	2010 R	2011 R	2010 R
13. Directors' emoluments (continued)				
<b>Non-executive directors</b>			<b>Share-based compensation – Terms of service</b>	<b>Total</b>
J T Motlatsi	295,000	–	–	295,000
N H Cornish	318,750	–	–	318,750
R S Traviss	333,750	56,047	–	389,797
U Schäckermann	228,750	–	–	228,750
	<b>1,176,250</b>	<b>56,047</b>		<b>1,232,297</b>
<b>Total emoluments</b>	<b>4,363,150</b>	<b>7,980,421</b>		<b>12,343,571</b>

#### Share-based payments

Share-based payments represents awards to directors in terms of the Company's long-term share incentive scheme.

#### Share subscription rights

Reconciliation of share subscriptions and options granted:

	Number of share subscription rights
Outstanding at beginning of the year	21,800,000
Granted during the year	–
Exercised during the year	(11,000,000)
Forfeited during the year	(10,800,000)
Outstanding at end of the year	–
	<b>Share subscription rights</b>
Weighted average share price at the date of exercise	0.20
Weighted average exercise price	par

# Notes to the Annual Financial Statements (continued)

for the financial year ended 28 February 2011

	Group		Company	
	2011 R	2010 R	2011 R	2010 R

## 14. BEE transaction

In order to comply with the black economic empowerment requirements of Mineral and Petroleum Resources Development Act, the Company has issued 324,017,806 restricted ordinary shares to HDP.

Modification of previously issued BEE-class ordinary shares

The subscription agreements for the BEE-class ordinary shares issued during the 2009 financial year were amended during the 2010 financial year to align them with the terms of the newly issued BEE-class ordinary shares. These amendments constituted a modification to the original grants as defined in IFRS 2. In order to secure the sustainability of the BEE transaction, the BEE-class ordinary shares were further modified during the current financial year by waiving the notional loan payable on the shares, converting the shares to ordinary shares prior to the listing, and introducing tradability restrictions on the shares for a period of five years from the original issuance date.

These amendments constituted a modification to the original grants as defined in IFRS 2, which resulted in an additional expense of R17,020,266 of which R16,860,576 represents the incremental fair value granted to the holders through the modification and the remaining amount of R 159,690 representing the issuing of these shares. The incremental fair value granted is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated at the date of modification. This amounted to 14 cents. The fair value of the grants subsequent to the modification were calculated by applying a tradability discount for unlisted shares of 20% (as the modification occurred prior to the listing) and a lock-in discount of 40% for the 5-year tradability restriction, to a spot price of 30 cents per share at the time.

## 15. Cash (used in) generated from operations

Loss before interest and taxation	(75,220,116)	(124,128,610)	(73,505,369)	(103,399,180)
<b>Adjustments for:</b>				
BEE Share transaction (at fair value)	16,860,576	4,767,431	16,860,576	4,767,431
Notional interest	(6,016,160)	–	(6,016,160)	–
Impairment	47,395,633	77,856,537	47,395,633	77,856,537
Share-based payments	321,930	7,846,228	321,930	7,846,228
<b>Changes in working capital:</b>				
Trade and other receivables	141,342	499,394	141,342	499,394
Trade and other payables	(3,750,763)	2,578,766	(3,750,763)	2,578,766
	<b>(20,267,558)</b>	<b>(30,580,254)</b>	<b>(18,552,811)</b>	<b>(9,850,824)</b>

## 16. Acquisition of exploration assets

Balance at the beginning of the year	64,085,779	141,942,316	63,726,338	141,582,875
Impairment	(47,395,633)	(77,856,537)	(47,395,633)	(77,856,537)
Balance at the end of the year	(56,690,146)	(64,085,779)	(56,330,705)	(63,726,338)
<b>Cash acquisitions</b>	<b>(40,000,000)</b>	<b>–</b>	<b>(40,000,000)</b>	<b>–</b>

## 17. Proceeds from share issues

BEE-class ordinary shares	2,740	500	2,740	500
Share subscription rights	110	1	110	1
	<b>2,850</b>	<b>501</b>	<b>2,850</b>	<b>501</b>

	Group		Company	
	2011 R	2010 R	2011 R	2010 R
<p><b>18. Taxation</b></p> <p>The Company has incurred a loss for tax purposes therefore no provision has been made for taxation.</p> <p>The Company and the Group has an estimated tax loss of R23,120,226 (2010: R21,600,652) for set off against future taxable income.</p> <p>No deferred tax asset has been provided on timing differences arising from exploration expenditure incurred and the accumulated tax loss as there is no reasonable certainty as to when mining will commence. The estimated value of the deferred tax asset for 2011 is R18,845,457 (2010: R16,163,880).</p>				
<p><b>19. Financial assets and liabilities by category</b></p> <p>The accounting policies for financial instruments have been applied to the line items below:</p> <p><b>Financial assets by category</b></p> <p><i>At amortised cost</i></p> <p>Cash and cash equivalents 19,574,675 – 19,574,675 –</p> <p>Trade and other receivables 132,786 – 112,786 –</p> <p><b>19,707,461 – 19,687,461 –</b></p> <p><b>Loans and receivables</b></p> <p>Cash and cash equivalents – 37,910,349 – 37,910,349</p> <p>Trade and other receivables – 274,128 – 254,128</p> <p><b>– 38,184,477 – 38,164,477</b></p> <p><b>Financial liabilities by category</b></p> <p><i>At amortised cost</i></p> <p>Non-current portion of long-term liability 31,983,840 – 31,983,840 –</p> <p>Short-term portion of long-term liability 2,000,000 – 2,000,000 –</p> <p>Trade and other payables 2,534,202 6,284,965 2,534,202 6,284,965</p> <p><b>36,518,042 6,284,965 36,518,042 6,284,965</b></p>				

# Notes to the Annual Financial Statements (continued)

for the financial year ended 28 February 2011

	Group			Company		
	2011 R	2010 R	2009 R	2011 R	2010 R	2009 R
<b>20. Loss per share</b>						
The calculation of the loss per share is based on a loss of:	R73,031,082	R119,881,360	R47,411,408	R71,316,335	R99,151,930	R41,295,925
The weighted average number of ordinary shares in issue:	665,608,856	454,551,642	385,814,313	665,608,856	454,551,642	385,814,313
Loss per ordinary share (cents):	10.97	26.37	12.29	10.71	21.81	10.70
The calculation of the headline loss per share is based on a loss of:						
– Attributable loss after tax	R73,031,082	R119,881,360	R47,411,408	R71,316,335	R99,151,930	R41,295,925
– Impairment of exploration assets	(R47,395,633)	(R77,856,537)	R–	(R47,395,633)	(R77,856,537)	R–
	R25,635,449	R42,024,823	R47,411,408	R23,920,702	R21,295,393	R41,295,925
The weighted average number of ordinary shares in issue:	665,608,856	454,551,642	385,814,313	665,608,856	454,551,642	385,814,313
Headline loss per ordinary in share (cents):	3.85	9.25	12.29	3.59	4.68	10.70
The calculation of the diluted loss per share is based on a loss of:	R73,031,082	R119,881,360	R47,411,408	R71,316,335	R99,151,930	R41,295,925
The weighted average number of ordinary shares in issue:	665,608,856	454,551,642	385,814,313	665,608,856	454,551,642	385,814,313
Shares deemed to be issued for no consideration in respect of share-based payments:	682,438	48,839,487	10,797,488	682,438	48,839,487	10,797,488
The weighted average number of ordinary shares used in diluted loss per share:	666,291,294	503,391,129	396,611,802	666,291,294	503,391,129	396,611,802
Diluted loss per ordinary share (cents)	10.96	23.81	11.95	10.70	19.70	10.41

	Group			Company		
	2011 R	2010 R	2009 R	2011 R	2010 R	2009 R
<b>20. Loss per share (continued)</b>						
The calculation of the diluted headline loss per share is based on a loss of:						
– Attributable loss after tax	R73,031,082	R119,881,360	R47,411,408	R71,316,335	R99,151,930	R41,295,925
– Impairment of exploration assets	(R47,395,633)	(R77,856,537)	R–	(R47,395,633)	(R77,856,537)	R–
	R25,635,449	R42,024,823	R47,411,408	R23,920,702	R21,295,393	R41,295,925
The weighted average number of ordinary shares in issue:	666,291,294	503,391,129	436,989,335	666,291,294	503,391,129	436,989,335
Headline loss per ordinary share (cents):	3.85	8.35	10.85	3.59	4.23	9.45

The headline loss per share as reported in 2010 did not take into account the impairment of the exploration assets in terms of IFRS 6. As a result of this omission the headline loss per share for 2010 has been restated.

## 21. Related party transactions

Neville Cornish is a director, in addition he and his associates are beneficial shareholders of Cornish Family Holdings ("CFH") and Blue Falcon 105 Trading (Pty) Ltd ("Blue Falcon"). CFH received 7,527,393 Platfields ordinary shares as a result of the Platinum Mile transaction. CFH also provided premises to Platfields for purposes of warehousing the Company's drill cores. The fees are R9 500 per month. Mr Cornish and his associates are beneficiaries of the Cornish Family Trust which owns 100% of Cornish Family Holdings.

Platfields Ltd paid R56,773 during the current financial year (2010: R81,633) to CFH and R15,695 to Blue Falcon for rentals of the premises. Mr Cornish retired from the Board subsequent to the year-end. Platfields pays Crucial Trade 59 CC for office facilities at R33,000 per month. This amount escalated to R74,000 per month with effect from 1 September 2010. The Mbindwane Family Trust, of which Bongani Mbindwane is a trustee and beneficiary, is the sole member of Crucial Trade 59 CC. Platfields Ltd paid R660,631 during the current financial year (2010: R440,421).

Joshua Hattingh, a former director on the Platfields Board, is a director and shareholder of Rock and Stock Investments (Proprietary) Limited ("Rock and Stock"). Platfields paid Rock and Stock fees for geological services and other related exploration expenses as incurred on a monthly basis. For the year ended 28 February 2011, these consulting fees amounted to R57,712 (2010: R4,722,655). Hattingh's direct and indirect holding in Rock and Stock equated to 93%. Joshua Hattingh subsequently resigned as a director of the Company.

The Company paid Tonteldoos Mineral and Realisation Company (Pty) Ltd amounts for prospecting fees on the Berg project and interest thereon of R131,859 (2010: R3,229,167). Mr Cornish was also a director of Tonteldoos.

## 22. Segment information

Currently there is no basis for reporting segmentally due to the fact that the Group is still in the exploration phase of its operations.

# Analysis of Ordinary Shareholders

as at 28 February 2011

Shareholder spread	Number of shareholdings	% of Total shareholdings	Number of shares	% of Shares in issue
1 – 1000 Shares	299	10.55%	215,743	0.03%
1001 – 10 000 Shares	1,227	43.30%	6,058,663	0.77%
10 001 – 100 000 Shares	904	31.90%	36,106,170	4.57%
100 001 – 1 000 000 Shares	328	11.57%	94,556,341	11.98%
1 000 001 Shares and over	76	2.68%	652,660,088	82.65%
<b>Total</b>	<b>2,834</b>	<b>100.00%</b>	<b>789,597,005</b>	<b>100.00%</b>

Distribution of shareholders	Number of shareholdings	% of Total shareholdings	Number of shares	% of Shares in issue
Close Corporations	30	1.06%	26,452,225	3.35%
Collective Investment Schemes	1	0.04%	38,677,970	4.90%
Custodians	1	0.04%	10,000,000	1.26%
Foundations & Charitable Funds	5	0.17%	4,347,739	0.55%
Investment Partnerships	5	0.17%	5,297,950	0.67%
Private Companies	34	1.20%	38,488,555	4.87%
Public Companies	1	0.03%	2,500,000	0.32%
Restricted Ordinary Shares (BEE Scheme)	1	0.04%	324,017,806	41.04%
Retail Shareholders	2,674	94.35%	255,239,878	32.32%
Stockbrokers & Nominees	4	0.14%	10,470,128	1.33%
Treasury	1	0.04%	77,192	0.01%
Trusts	77	2.72%	74,027,562	9.38%
<b>Total</b>	<b>2,834</b>	<b>100.00%</b>	<b>789,597,005</b>	<b>100.00%</b>

Shareholder type	Number of shareholdings	% of Total shareholdings	Number of shares	% of Shares in issue
Non-Public Shareholders	10	0.35%	347,474,087	44.01%
Directors and Associates (Direct Holding)	5	0.18%	12,768,622	1.62%
Directors and Associates (Indirect Holding)	3	0.11%	10,610,467	1.34%
Holders holding more than 10%				
Platfields Restricted Ordinary Shares (BEE Scheme)	1	0.04%	324,017,806	41.04%
Treasury				
Platfields Limited	1	0.04%	77,192	0.01%
Public Shareholders	2,824	99.65%	442,122,918	55.99%
<b>Total</b>	<b>2,834</b>	<b>100.00%</b>	<b>789,597,005</b>	<b>100.00%</b>

Beneficial shareholders with a holding greater than 3% of the shares in issue	Number of shares	% of Shares in issue
Platfields Restricted Ordinary Shares (BEE Scheme)	324,017,806	41.04%
BAC Mining Regions Man Fund	38,677,970	4.90%
<b>Total</b>	<b>362,695,776</b>	<b>45.93%</b>

Top 5 Fund Managers	Number of Shares	% of Shares in issue
Best Asset Class AG	38,677,970	4.90%
Melville Douglas Investment Management	7,967,393	1.01%
Sanlam Investment Management	400,000	0.05%
Brackenham Investments	354,742	0.04%
<b>Total</b>	<b>47,400,105</b>	<b>6.00%</b>

<b>Total number of Shareholders</b>	2,834
<b>Total number of Shares in issue</b>	789,597,005

Share Price Performance (Listing date : 14 Dec 2010)				
Closing price 14 December 2010	R 0.65			
Closing price 28 February 2011	R 0.23			
Closing High for the period (14 Dec 2010)	R 0.65			
Closing Low for the period (13 Jan 2011)	R 0.16			
Total Volume Traded (14 Dec 2010 – 28 Feb 2011)	30,007,535			

Non-public Breakdown  
Directors of the Company or any of its subsidiaries

2011

2010

Direct Holding Entity Name (As per share register)	Director	Count	Share Holding	Share Holding	Diff
Joshua Philip Hattingh	Joshua Philip Hattingh	–	0	1,215,922	-1,215,922
Ms Annelise Cilliers	Ms Annelise Cilliers	1	1,300,000	800,000	500,000
James Thokoana Mottlatsi	James Thokoana Mottlatsi	2	1,104,000	704,000	400,000
Derrick Bongani Mbindwane	Derrick Bongani Mbindwane	1	10,164,622	164,622	10,000,000
Roy Stavely Traviss	Roy Stavely Traviss	1	200,000	100,000	100,000
<b>Direct Holding</b>			12,768,622	2,984,544	
<b>In Directholding entity name (as per share register)</b>					
Tonteldoos Minerals Realisation (7,830,000 shares from 67,000,000 shares)	Neville Hawthorn Cornish	–	0	7,830,000	-7,830,000
The Kentville Trust		1	1,918,112	2,668,112	-750,000
Cornish Family Holdings Pty Ltd	Neville Hawthorn Cornish	1	7,967,393	776,000	7,191,393
Mbindwane Family Investment Trust	Derrick Bongani Mbindwane	1	724,962	771,928	-46,966
Cornish Family Holdings Pty Ltd	Neville Hawthorn Cornish	–	0	70,000	-70,000
<b>Indirect Holding</b>			10,610,467	12,116,040	
<b>Holders holding more than 10% of issued capital (Excluding directors holding)</b>					
Solar Spectrum Trading (Pty) Ltd		–	0	83,000,000	-83,000,000
Tonteldoos Minerals Realisation (Excludes 7,830,000 shares of director Neville Hawthorn Cornish)		–	0	59,170,000	-59,170,000
			–	<b>142,170,000</b>	
<b>Platfields</b>					
Platfields Limited		1	77,192	77,192	–
Platfields Restricted Ordinary Shares (BEE Scheme)		1	324,017,806	–	324,017,806
<b>Non Public Shareholding</b>		10	347,474,087	157,347,776	

# Glossary of Terms and Abbreviations

<b>4E PGMs</b>	Platinum (Pt), palladium (Pd), rhodium (Rh), and gold (Au)
<b>Au</b>	Gold
<b>BEE</b>	Black economic empowerment
<b>Board</b>	The Board of directors of Platfields Limited
<b>Bushveld Complex</b>	A mafic intrusive complex situated in the north-eastern part of South Africa
<b>Company</b>	Platfields Limited
<b>DMR</b>	Department of Mineral Resources
<b>HDP</b>	Historically disadvantaged person
<b>IASB</b>	International Accounting Standards Board
<b>IFRIC</b>	International Financial Reporting Interpretations Committee
<b>IFRS</b>	International Financial Reporting Standards
<b>JSE</b>	JSE Limited
<b>Km</b>	Kilometre
<b>Mineral reserve</b>	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 which may occur when the material is mined.
<b>Mineral resource</b>	A concentration or occurrence of natural, solid, inorganic or fossilised organic material in or on the Earth's crust in such a 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.
<b>Mineralisation</b>	The concentration of minerals in a body of rock
<b>MPRDA</b>	The Mineral and Petroleum Resources Development Act, No. 28 of 2002
<b>Pd</b>	Palladium
<b>PGE</b>	Platinum Group elements, which include, in a roughly decreasing order of abundance: platinum (Pt), palladium (Pd), ruthenium (Ru), rhodium (Rh), iridium (Ir) and osmium (Os).
<b>Platfields</b>	Platfields Limited
<b>Pt</b>	Platinum
<b>Reef</b>	A geologically discrete horizon where PGM mineralisation is concentrated
<b>SACNASP</b>	The South African Council for Natural Scientific Professions
<b>Section 11</b>	The transference and encumbrance of prospecting rights and mining rights
<b>USD</b>	United States Dollar
<b>ZAR or R</b>	South African Rand

# Administration

## Company name

Platfields Limited

("Platfields" or "the Company")

Registration number: 2002/005851/06

Website: [www.platfields.co.za](http://www.platfields.co.za)

E-mail: [info@platfields.co.za](mailto:info@platfields.co.za)

Share code: PLL

ISIN: ZAE000151825

## Corporate adviser and sponsor

Merchantec Capital

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## Registered office

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Telephone: +27 21 4234536

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## Reporting accountants and auditors

Grant Thornton

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Telephone: +2711 322 4500

Fax: +27 11 322 4553

## Commercial bank

First National Bank – Craighall branch

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Craighall, 2196

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## Transfer secretaries

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## Company secretary

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Platfields Limited

[www.platfields.co.za](http://www.platfields.co.za)