EDGAR Online

PLATINUM GROUP METALS LTD

FORM 6-K
(Report of Foreign Issuer)

Filed 01/26/06 for the Period Ending 11/30/05

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

Powered By EDGAR Online
http://www.edgar-online.com
© Copyright 2013, EDGAR Online, Inc. All Rights Reserved.
Distribution and use of this document restricted under EDGAR Online, Inc. Terms of Use.

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For: **January 16 - 20, 2006**

Platinum Group Metals Ltd.

(SEC File No. 0-30306)

Suite 328 – 550 Burrard Street, Vancouver BC, V6C 2B5, CANADA
Address of Principal Executive Office

The registrant files annual reports under cover : Form 20-F [X] Form 40-F [ ]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): [ ]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): [ ]

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:
Yes [ ] No [X]

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____

EXHIBIT LIST

32.1 CEO Certification

32.2 CFO Certification

99.1 Consolidated Interim Financial Statements For the three month period ended November 30, 2005

99.2 Supplementary Information and MD&A For the three month period ended November 30, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: **January 24, 2006**

"Frank Hallam
FRANK R. HALLAM
Director & CFO

FORM 52-109F2

CERTIFICATION OF INTERIM FILINGS

I, R. Michael Jones , President and CEO of **Platinum Group Metals Ltd** . (the "Corporation"), certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) of Platinum Group Metals Ltd., (the "issuer") for the interim period ending November 30, 2005.

2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;

3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;

4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:

    a. designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared; and

    b. designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and

5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: January 16, 2006

"R. Michael Jones"

President & CEO

FORM 52-109F2

CERTIFICATION OF INTERIM FILINGS

I, Frank R. Hallam , CFO of **Platinum Group Metals Ltd** . (the "Corporation"), certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) of Platinum Group Metals Ltd., (the "issuer") for the interim period ending November 30, 2005.

2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;

3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;

4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:

    a. designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared; and

    b. designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and

5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: January 16, 2006

"Frank R. Hallam"

Chief Financial Officer

PTM

Platinum Group Metals Ltd.

(Exploration Stage Company)

Consolidated Interim Financial Statements
For the three month period ended November 30, 2005

Filed: January 16, 2005

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

The attached interim financial statements have not been reviewed by the Company's auditors

PLATINUM GROUP METALS LTD.
(An exploration stage company)
Consolidated Balance Sheets
November 30, 2005

	November 30, 2005	August 31, 2005
ASSETS		
CURRENT		
Cash and cash equivalents	**$ 2,555,595**	$ 2,750,461
Marketable securities (market value - Nov.30/05 $378,000; Aug. 31/05 - $272,375)	**218,000**	251,750
Amounts receivable (Note 3)	**99,325**	344,059
Prepaid expenses and other	**13,064**	53,575
Total current assets	**2,885,984**	3,399,845
PERFORMANCE BONDS	**24,008**	24,685
MINERAL PROPERTIES (Note 5)	**13,964,783**	12,091,549
FIXED ASSETS (Note 6)	**192,758**	189,108
Total assets	**$ 17,067,533**	$ 15,705,187
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 852,947**	$ 1,997,633
Current portion of capital lease obligation	**4,511**	5,929
Total current liabilities	**857,458**	2,003,562
CAPITAL LEASE OBLIGATION	**22,569**	22,569
FUTURE INCOME TAXES (Note 9)	**-**	-
Total liabilities	**880,027**	2,026,131
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	**26,711,786**	23,513,389
Contributed surplus (Note 2 (f))	**1,723,198**	1,723,198
Deficit accumulated during the exploration stage	**(12,247,478)**	(11,557,531)
Total shareholders' equity	**16,187,506**	13,679,056
Total liabilities and shareholders' equity	**$ 17,067,533**	$ 15,705,187

CONTINUING OPERATIONS (Note 1)
CONTINGENCIES AND COMMITMENTS (Note 10)

APPROVED BY THE DIRECTORS:

"R.M. Jones"
R. Michael Jones, Director

"Frank Hallam"
Frank Hallam, Director

See accompanying notes to the consolidated financial statements.

PLATINUM GROUP METALS LTD.
(An exploration stage company)
Consolidated Statements of Operations

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2005

	Three Months Ended Nov. 30, 2005	Three Months Ended Nov. 30, 2004
EXPENSES		
Amortization	$ 14,408	$ 15,323
Annual general meeting	22,512	12,840
Corporate finance fees	-	-
Filing and transfer agent fees	13,512	3,263
Insurance	6,992	7,930
Management and consulting fees	148,753	80,956
News releases, print and mailout	10,049	5,212
Office and miscellaneous	35,589	22,157
Other taxes	-	-
Professional fees	95,398	74,748
Promotion	28,473	19,795
Property investigations	-	-
Rent	21,225	28,647
Salaries and benefits	188,903	150,038
Shareholder relations	35,835	657
Stock compensation expense (Note 7 (c))	-	50,500
Telephone	13,325	11,745
Travel	69,807	54,767
	(704,781)	(538,578)
Less interest and other income	25,949	38,279
Loss before other items	(678,832)	(500,299)
Other items:		
Mineral property costs written off	-	15,450
Write-down of investment in and advances to Active Gold Group Ltd. (Note 4)	-	76,287
(Gain) loss on sale and write-down of marketable securities	11,115	-
Loss on sale of furniture	-	7,161
Equity in loss of Active Gold Group Ltd. (Note 4)	-	-
	11,115	98,898
Loss for the period before income taxes	(689,947)	(599,197)
Future income tax recovery	-	-
Loss for the period	$ (689,947)	$ (599,197)
Basic and diluted loss per share	$ (0.02)	$ (0.02)
Weighted-average number of common shares outstanding	44,303,280	35,211,406

See accompanying notes to the consolidated financial statements.

PLATINUM GROUP METALS LTD.
(An exploration stage company)
Consolidated Statements of Shareholders' Equity
From commencement of operations, March 16, 2000, to November 30, 2005

	Common shares without par value		Obligation to issue	Flow-through special warrants		Contributed	Deficit accumulated during exploration	Total shareholders'
	Shares	Amount	shares	Number	Amount	surplus	stage	equity
Issued for cash	1,395,001	$ 89,000	$ -	2,605,000	$ 521,000	$ -	$ -	$ 610,000
Issued for mineral properties	-	-	20,000	-	-	-	-	20,000
Net loss	-	-	-	-	-	-	(39,956)	(39,956)
Balance, August 31, 2000	1,395,001	89,000	20,000	2,605,000	521,000	-	(39,956)	590,044
Issued for cash	3,195,391	1,356,532	-	2,383,090	1,107,771	-	-	2,464,303
Issued upon exercise of share purchase warrants	2,000	1,100	-	-	-	-	-	1,100
Issued for mineral properties	210,000	57,050	(17,400)	-	-	-	-	39,650
Issued upon exercise of special warrants	2,605,000	521,000	-	(2,605,000)	(521,000)	-	-	-
Issued upon exercise of flow through special warrants	2,383,090	1,107,771	-	(2,383,090)	(1,107,771)	-	-	-
Future income taxes relating to exploration expenditures applicable to flow-through shares	-	-	-	-	-	-	(310,000)	(310,000)
Net loss	-	-	-	-	-	-	(482,687)	(482,687)
Balance at August 31, 2001	9,790,482	3,132,453	2,600	-	-	-	(832,643)	2,302,410
Issued for cash	6,864,001	1,951,135	-	-	-	-	-	1,951,135
Issued for mineral properties	102,728	36,509	(2,600)	-	-	-	-	33,909
Issued to acquire New Millennium Metals	5,468,421	1,310,385	-	-	-	-	-	1,310,385
Future income taxes relating to exploration expenditures applicable to flow-through shares	-	-	-	-	-	-	(266,000)	(266,000)
Net loss	-	-	-	-	-	-	(1,501,620)	(1,501,620)
Balance, August 31, 2002	22,225,632	6,430,482	-	-	-	-	(2,600,263)	3,830,219
Issuance of flow-through common shares for cash	1,181,346	678,589	-	-	-	-	-	678,589
Issuance of common shares for cash	3,062,500	1,411,342	-	-	-	-	-	1,411,342
Issued on exercise of mineral property option (Note 7)	571,603	200,061	-	-	-	-	-	200,061
Issued on exercise of warrants	645,990	233,389	-	-	-	-	-	233,389
Issued on exercise of stock options	96,500	35,075	-	-	-	-	-	35,075
Issued for mineral properties	47,696	16,140	-	-	-	-	-	16,140
Future income taxes relating to exploration expenditures applicable to flow-through shares	-	-	-	-	-	-	(140,000)	(140,000)
Stock options granted to consultants	-	-	-	-	-	42,051	-	42,051
Net loss	-	-	-	-	-	-	(1,748,993)	(1,748,993)

Balance, August 31, 2003 carried forward	27,831,267	9,005,078	-	-	-	42,051	(4,489,256)	4,557,873

See accompanying notes to the consolidated financial statements.

PLATINUM GROUP METALS LTD.
(An exploration stage company)
Consolidated Statements of Shareholders' Equity
From commencement of operations, March 16, 2000, to November 30, 2005

	Common shares without par value		Obligation to issue	Flow-through special warrants		Contributed	Deficit accumulated during exploration	Total shareholders'
	Shares	Amount	shares	Number	Amount	surplus	stage	equity
Balance, August 31, 2003 brought forward	27,831,267	$ 9,005,078	$ -	$ -	$ -	$ 42,051	$ (4,489,256)	$ 4,557,873
Issuance of flow-through common shares for cash	1,056,000	1,267,200	-	-	-	-	-	1,267,200
Issuance of common shares for cash	3,810,207	3,226,590	-	-	-	-	-	3,226,590
Issued on exercise of warrants	1,747,032	1,428,407	-	-	-	-	-	1,428,407
Issued on exercise of stock options	132,000	59,200	-	-	-	-	-	59,200
Issued for mineral properties	10,909	3,600	-	-	-	-	-	3,600
Future income taxes relating to exploration expenditures applicable to flow-through shares	-	-	-	-	-	-	(346,000)	(346,000)
Stock options granted to consultants	-	-	-	-	-	92,881	-	92,881
Net loss	-	-	-	-	-	-	(2,242,627)	(2,242,627)
Balance, August 31, 2004	34,587,415	14,990,075	-	-	-	134,932	(7,077,883)	8,047,124
Cumulative effect of change in accounting policy (Note 2 (f))	-	-	-	-	-	318,000	(318,000)	-
Issuance of flow-through common shares for cash	173,267	259,901	-	-	-	-	-	259,901
Issuance of common shares for cash	5,000,000	5,441,078	-	-	-	-	-	5,441,078
Issued on exercise of warrants	2,469,949	2,272,462	-	-	-	-	-	2,272,462
Issued on exercise of stock options	903,000	521,873	-	-	-	(13,023)	-	508,850
Issued for mineral properties	25,000	28,000	-	-	-	-	-	28,000
Future income taxes relating to exploration expenditures applicable to flow-through shares	-	-	-	-	-	-	(366,000)	(366,000)
Stock options granted	-	-	-	-	-	1,283,289	-	1,283,289
Net loss	-	-	-	-	-	-	(3,795,648)	(3,795,648)
Balance, August 31, 2005	43,158,631	$23,513,389	$ -	$ -	$ -	$ 1,723,198	$ (11,557,531)	$ 13,679,056
Issuance of common shares for cash	2,200,000	$ 3,146,287	-	-	-	-	-	3,146,287
Issued on exercise of warrants	4,896	6,610	-	-	-	-	-	6,610
Issued on exercise of stock options	10,000	5,500	-	-	-	-	-	5,500
Issued for mineral properties	25,000	40,000	-	-	-	-	-	40,000
Net loss	-	-	-	-	-	-	(689,947)	(689,947)
Balance, November 30, 2005	45,398,527	$26,711,786	$ -	$ -	$ -	$ 1,723,198	$ (12,247,478)	$ 16,187,506

See accompanying notes to the consolidated financial statements.

PLATINUM GROUP METALS LTD.
(An exploration stage company)
Consolidated Statements of Cash Flows

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2005

	Three Months Ended Nov. 30, 2005	Three Months Ended Nov. 30, 2004
OPERATING ACTIVITIES		
Loss for the period	$ (689,946)	$ (599,197)
Add items not affecting cash		
Amortization	14,408	15,323
Loss on sale of capital assets	-	7,161
Write-down of investment in and advances to Active Gold Group Ltd.	-	131,200
Future income tax recovery	-	-
(Gain) loss on disposal and write-down of marketable securities	11,115	(51,200)
Mineral property costs written off	-	15,450
Finders fee received in shares (Note 8)	-	-
Gain on sale of mineral property	-	
Non-cash share compensation expense	-	50,500
Net change in non-cash working capital (Note 11)	210,736	(242,984)
	(453,687)	(673,747)
FINANCING ACTIVITIES		
Performance bonds	678	-
Issuance of common shares	3,158,396	2,312,151
Issuance of flow-through special warrants	-	-
Issuance of special warrants	-	-
	3,159,074	2,312,151
INVESTING ACTIVITIES		
Acquisition of capital assets	(18,058)	(102,814)
Sale of capital assets	-	2,360
Acquisition cost of mineral properties	(778,454)	(215,864)
Exploration expenditures	(2,126,376)	(913,748)
Investment in and advances to Active Gold Group Ltd.	-	-
Proceeds on sale of marketable securities	22,635	-
	(2,900,253)	(1,230,066)
Net increase in cash and cash equivalents	(194,866)	408,338
Cash and cash equivalents, beginning of period	2,750,461	2,423,176
Cash and cash equivalents, end of period (Note 11)	$ 2,555,595	$ 2,831,514

SUPPLEMENTARY INFORMATION ON NON-CASH INVESTING AND FINANCING ACTIVITIES:

(i) During the year ended August 31, 2005, the Company issued 25,000 common shares with a value of $28,000 in connection with the acquisition of mineral properties.

(ii) During the year ended August 31, 2005 the Company acquired 1,407,069 shares of Active Gold Group Ltd. ("Active Gold") from six of Active Gold's founding shareholders, all of whom are at arm's length to the Company, in exchange for 399,999 shares of Sydney Resource Corporation, paid from the Company's holdings of that security. As Active Gold is estimated to have nominal value, the transaction was entered into for the purpose of preserving existing business relationships. The Company therefore recorded the exchange as an expense.

(iii) During the year ended August 31, 2004, the Company issued 10,909 common shares with a value of $3,600 in connection with the acquisition of mineral properties.

(iv) During the year ended August 31, 2004, the Company received marketable securities with a fair value of $33,750 relating to the recovery of mineral properties' costs.

(v) During the year ended August 31, 2004, the Company received 1,200,000 shares of Sydney Resource Corp. (TSXV:SYR) with a value of $0.20 per share in exchange for sale of a 100-percent interest in the Company's Simlock Creek, British Columbia gold project and the termination of the earn-in requirements under a related option agreement.

(vi) During the year ended August 31, 2003, the Company issued 47,696 common shares with a value of $16,140 in connection with the acquisition of mineral properties.

(vii) During the year ended August 31, 2003, the Company issued 571,603 shares on exercise of an option in exchange for previous reimbursement of exploration expenditures in the amount of $200,061.

(viii) During the year ended August 31, 2003, the Company received marketable securities with a fair value of $45,500 relating to the recovery of mineral properties costs.

SUPPLEMENTARY INFORMATION ON CASH FLOWS:

No interest or income tax expenses were paid during the periods disclosed.

See accompanying notes to the consolidated financial statements.

1. CONTINUING OPERATIONS

The Company is a British Columbia corporation incorporated on February 18, 2002 by an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. ("Old Platinum") and New Millennium Metals Corporation ("New Millennium"). The Company is an exploration company conducting work on mineral properties it has staked or acquired by way of option agreements principally in Ontario, Canada and the Republic of South Africa. The Company has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The Company defers all acquisition, exploration and development costs related to mineral properties. The recoverability of these amounts is dependant upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of the property, and future profitable production, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due. External financing, predominately by the issuance of equity to the public, will be sought to finance the operations of the Company; however, there is no assurance that sufficient funds will be raised.

These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company not be able to continue as a going concern. If the going concern basis was not appropriate for these consolidated financial statements, then significant adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and include the following significant policies outlined below. These policies conform, in all material respects, with accounting principles generally accepted in the United States of America ("US GAAP"), except as described in Note 13.

(a) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Platinum Group Metals (RSA) (PTY) Ltd. ("PTM RSA"). PTM RSA holds mineral rights and conducts operations in the Republic of South Africa. All significant intercompany balances and transactions have been eliminated upon consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Mineral properties and deferred exploration costs

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or disposed of either through sale or abandonment. The estimated values of all properties are assessed by management on a quarterly basis and if the carrying values exceed estimated recoverable values, then these costs are written down to fair value. If put into production, the costs of acquisition and exploration will be amortized over the life of the property, based on the estimated economic reserves. Proceeds received from the sale of any interest in a property will first be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the property and deferred exploration costs are written off to operations.

(c) Cash and cash equivalents

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

(d) Marketable securities and investments

Marketable securities are recorded at the lower of cost or market value.

Investments where the Company has the ability to exercise significant influence, generally where the Company has a 20% to 50% equity interest, are accounted for using the equity method. Under this method, the Company's share of the investee's earnings or losses is included in operations and its investments therein are adjusted by a like amount. Dividends received from these investments are credited to the investment accounts.

Other long-term investments are accounted for using the cost method, whereby income is included in operations when received or receivable.

Provisions for impairment of long term investments are made, where necessary, to recognize other than temporary declines in value.

(e) Fixed assets

Fixed assets are recorded at cost and are amortized on the declining balance basis at the following annual rates:

Computer equipment	30%
Computer software	30%
Office furniture and equipment	20%

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Stock-based compensation

Effective September 1, 2004, the Company adopted the amended recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3870, *Stock-based Compensation and Other Stock-based Payments* . Under the amended standards of this section, the fair value of all stock-based awards granted are estimated using the Black-Scholes model and are recorded in operations over their vesting periods. The compensation cost related to stock options granted after September 1, 2004 is recorded in operations.

Previously, the Company provided note disclosure of pro forma net earnings and pro forma earnings per share as if the fair value based method had been used to account for share purchase options granted to employees, directors and officers after September 1, 2002. The amended recommendations have been applied retroactively from September 1, 2002 without restatement of prior periods. As a result, as of September 1, 2004, the deficit was increased by $318,000, contributed surplus was increased by $304,977, and share capital was increased by $13,023 for share purchase options granted in prior years and exercised in Fiscal 2005.

The total compensation expense recognized in the statement of operations for share purchase options granted in Fiscal 2005 amounted to $1,283,289. Had the same basis been applied to share purchase options granted in 2004 and 2003, net earnings would have been as follows:

	2004	2003
Net loss	$ 2,242,627	$ 1,748,993
Additional compensation expense	241,000	77,000
Pro forma net loss	$ 2,483,627	$ 1,825,993
Pro forma basic and diluted loss per share	$ (0.08)	$ (0.07)

For the year ended August 31, 2004, stock-based compensation expense was determined using the Black-Scholes option pricing model assuming no dividends are to be paid, a weighted average volatility of the Company's share price of 200%, an annual risk free interest rate of 3.97% and expected lives of 3.47 years. The weighted average fair value of share purchase options granted in 2004 was $1.04 per option.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Stock-based compensation (continued)

For the year ended August 31, 2003, stock-based compensation expense was determined using an option pricing model assuming no dividends are to be paid, a weighted average volatility of the Company's share price of 87%, an annual risk free interest rate of 3.73% and expected lives of 3.50 years. The weighted average fair value of share purchase options granted in 2003 was $0.57 per option.

Please refer to Note 7 (c) for a summary of stock options granted in the current period and the related valuation assumptions.

(g) Income taxes

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

(h) Earnings (loss) per common share

Basic earnings per share are calculated using the weighted average number of common shares outstanding, excluding contingently returnable shares held in escrow.

The Company uses the treasury stock method for the calculation of diluted earnings per share. Diluted earnings per share are computed using the weighted average number of common and common equivalent shares outstanding during the year. Common equivalent shares consist of the incremental common shares arising upon the assumed exercise of stock options and warrants, but are excluded from the computation if their effect is anti-dilutive.

(i) Financial instruments

The fair values of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities and capital lease obligation reflected in the balance sheet approximate their respective carrying values. The fair value of marketable securities are as disclosed on the balance sheet.

Price risk is the risk that the value of the Company's financial instruments will vary from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign exchange rates.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Use of estimates

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

(k) Asset retirement obligations

The CICA issued Section 3110, *Asset Retirement Obligations* , which became effective January 1, 2004. This standard focuses on the recognition and measurement of liabilities related to legal obligations associated with the retirement of property, plant and equipment. Under this standard, these obligations are initially measured at fair value and subsequently adjusted for the accretion of discount and any changes in the underlying cash flows. The asset retirement cost is to be capitalized to the related asset and amortized into earnings over time. Adoption of this standard did not have a material impact on the Company's financial statements.

3. AMOUNTS RECEIVABLE

	Nov. 30, 2005	Aug. 31, 2005
Advances receivable	$ **46,961**	$ 15,786
Goods and services tax recoverable	**20,020**	7,799
South African value added tax ("VAT") recoverable	**31,117**	263,466
Interest receivable	**1,227**	380
Other	**-**	56,628
	$ **99,325**	$ 344,059

Advances receivable consist of funds advanced to officers, directors and consulting geologists for exploration and corporate activities conducted in the normal course of business and bear no interest.

4. INVESTMENTS

(a) Active Gold Group Ltd.

At August 31, 2003 the Company held 1,461,905 shares (26.79%) of Active Gold Group Ltd. at a cost of $160,327. Active Gold was a private corporation founded by the Company that attempted to acquire and develop gold projects in South Africa. Active Gold failed to achieve a prospecting license for its Rooderand Gold Project and the project was abandoned. The Company is now dormant. Advances by the Company to Active Gold in the normal course of business during 2003 amounted to $45,487 and in 2004 amounted to $90,062. In 2003 the Company wrote off its investment in and advances to Active Gold after recognizing its equity in that company's losses. Advances in 2004 were written off in the year they occurred.

On September 30, 2004 the Company acquired 1,407,069 shares of Active Gold from six of its other founding shareholders, all of whom were at arm's length to the Company, in exchange for 399,999 shares (market value $131,200) of Sydney Resource Corporation ("SYR"), paid from the Company's holdings of that security (see Note 4 (c)). As Active Gold was of nominal value, the transaction was entered into for the purpose of preserving existing business relationships. PTM, therefore, recorded the exchange as an expense of $131,200.

(b) MAG Silver Corporation

In 2003 the Company earned a finders' fee of 200,000 shares of MAG Silver Corporation, a company with one director and one officer in common with the Company, with an assigned value of $0.50 per share for introducing MAG Silver to certain individuals and mineral properties located in Mexico. During 2003 the Company sold 100,000 of these shares for proceeds of $67,630. The remaining 100,000 MAG shares owned by the Company had a market value of $97,000 at November 30, 2005 and are included in marketable securities.

(c) Sydney Resource Corporation

In 2002 New Millennium granted SYR, a company with two directors in common with the Company, an option to earn a 50% interest in New Millennium's 100% owned Simlock Creek gold project, located in the Cariboo Mining District of British Columbia. On December 2, 2003 the Company and SYR agreed to terminate the Option and the Company then sold the property to SYR outright in exchange for 1,200,000 shares of SYR at a value of $0.20 per share. At November 30, 2005 the Company held 800,001 SYR shares with an aggregate cost of $160,000. The shares are included in marketable securities.

5. MINERAL PROPERTIES

Mineral properties consist of the following:

		Nov. 30, 2005	Aug. 31, 2005	Aug. 31, 2004
Annual expenditure by category				
Total, beginning of year		**12,091,549**	**5,995,550**	3,891,653
Acquisition costs	**$**	**262,094**	**$ 1,815,434**	$ 515,777
Assays and geochemical		**137,737**	**575,258**	315,001
Drilling		**868,750**	**2,724,747**	1,081,099
Geological		**407,960**	**1,049,247**	979,836
Geophysical		**7,819**	**164,052**	155,532
Maps, fees and licenses		**-**	**11,961**	26,904
Reclamation		**-**	**-**	4,480
Site administration		**161,226**	**713,044**	72,150
Travel		**27,648**	**71,550**	76,411
		1,873,234	**7,125,293**	3,227,189
Less recoveries (adjustments)		**-**	**55,000**	78,750
		1,873,234	**7,070,293**	3,148,439
Subtotal		**13,964,783**	**13,065,843**	7,040,092
Less amounts written off		**-**	**(974,294)**	(1,044,542)
Total, end of year	**$**	**13,964,783**	**$ 12,091,549**	$ 5,995,550

		Nov. 30, 2005	Aug. 31, 2005	Aug. 31, 2004
Annual balance by category				
Acquisition costs	**$**	**3,425,088**	$ 3,165,479	$ 1,899,705
Deferred exploration costs		**10,539,695**	8,926,070	4,095,845
	$	**13,964,783**	$ 12,091,549	$ 5,995,550

5. MINERAL PROPERTIES (Continued)

Details of specific mineral properties are as follows:

Property	August 31, 2004	Costs (Recoveries) During Year	Properties Written Off	August 31, 2005	Costs (Recoveries) During Period	Properties Written Off	**November 30, 2005**
ONTARIO							
Agnew Lake	$ 331,852	$ (55,000)	$(276,852)	$ -	$ -	$ -	**$ -**
Dog River	214,210	307	(214,517)	-	-	-	**$ -**
Lakemount	959,792	256,592	-	1,216,384	74,434	-	**$ 1,290,818**
LDI River	755,840	83	-	755,923	-	-	**$ 755,923**
Moss Lake	10,844	145,801	-	156,645	2,210	-	**$ 158,855**
Pebble	142,283	94,425	(236,708)	-	-	-	**$ -**
S Legris	-	5,811	-	5,811	-	-	**$ 5,811**
Seagull	8,341	772,600	-	780,941	4,346	-	**$ 785,287**
Shelby Lake	698,006	885	-	698,891	-	-	**$ 698,891**
Other	222,337	29,133	(230,767)	20,703	-	-	**$ 20,703**
	3,343,505	1,250,637	(958,844)	3,635,298	80,990	-	**3,716,288**
SOUTH AFRICA							
Tweespalk	716,134	120,513	-	836,647	9,695	-	**$ 846,342**
War Springs	633,881	1,102,405	-	1,736,286	137,218	-	**$ 1,873,504**
West Bushveld JV	1,234,449	4,535,571	-	5,770,020	1,550,245	-	**$ 7,320,265**
Other	67,581	61,167	(15,450)	113,298	95,086	-	**$ 208,384**
	2,652,045	5,819,656	(15,450)	8,456,251	1,792,244	-	**10,248,495**
Total	$5,995,550	$ 7,070,293	$(974,294)	$12,091,549	$ 1,873,234	$ -	**$13,964,783**

(a) Ontario

(i) Agnew Lake

The Company has earned a 99% interest in certain claims located near Sudbury, Ontario known as the Agnew Lake property subject to a 2% royalty interest payable to the original vendor. The Company optioned the Agnew Lake property to Pacific Northwest Capital Corporation ("PFN") on June 18, 2000. PFN may acquire up to a 50% interest in the Agnew Lake Property by issuing 50,000 shares to the Company (received), making cash payments to the Company totalling $200,000 (received) and incurring $500,000 in exploration costs to its own account. In the event that PFN does not incur the required $500,000 in exploration expenses they may exercise their option by payment to the Company of any remaining unspent balance in PFN common shares. According to the terms of a 2001 amendment PFN has paid the Company four payments of 75,000 PFN shares towards the exercise of PFN's option. PFN is the project operator and is responsible for completion of all assessment and filing requirements as long as it remains operator.

5. MINERAL PROPERTIES (Continued)

(a) Ontario (continued)

(i) Agnew Lake (continued)

On June 22, 2001, the Company and PFN optioned their property interests to Kaymin Resources Limited ("Kaymin"), a subsidiary of Anglo American Platinum Corporation Limited. Kaymin may acquire a 50% interest in the combined rights and interests of the Company and PFN by making cash payments of $200,000 to each party (received) and incurring exploration expenditures of not less than $6,000,000. Kaymin can earn an additional 10% interest by completing a bankable feasibility study and arranging financing for any development or construction.

At August 31, 2004, the Company had directly performed $512,265 worth of exploration work and caused further work of approximately $3,140,805 to be performed through the joint venture arrangement with PFN and Kaymin. At August 31, 2005 the project was not active and the Company wrote off its remaining investment in the property amounting to $276,852. In the period ending November 30, 2005 Kaymin advised the Company that it would cease further funding of the project. Kaymin also notified the Company that they will vest as to a 26.17% interest in the property in accordance with the terms of their option agreement .

(ii) Lakemount

On November 6, 2003 the Company acquired an option to earn up to a 62% interest in the 3,017 hectare Lakemount property located near Wawa, Ontario. The Company may earn up to a 51% undivided property interest by completing $2.5 million in exploration and development expenditures ($1,089,044 incurred to November 30, 2005) and by making staged payments totalling $150,000 ($75,000 paid) and 150,000 common shares (50,000 issued) by December 31, 2008. The Company may acquire an additional 11% interest in the property by making a payment of $3.3 million to an underlying holder. The property is subject to NSR royalties ranging from 1.5% to 3.0% and a net sales royalty on precious stones of 1.5%, subject to buy-out and buy-down provisions.

(iii) Lac des Iles River

On May 5, 2000, New Millennium entered into an option agreement to acquire a 50% interest in the Lac des Iles River property in exchange for payments of $38,500 over three years (paid) and the completion of exploration expenditures in the amount of $1,000,000 over five years, $548,399 of which has been incurred to November 30, 2005. The Lac des Iles River Option Agreement was amended January 27, 2005 to allow the Company an additional three years, to May 5, 2008, to meet its exploration commitments in exchange for making annual cash payments of $5,000 to May 5, 2008 ($20,000 total) and undertaking

5. MINERAL PROPERTIES (Continued)

(a) Ontario (continued)

(iii) Lac des Iles River (continued)

a minimum of $50,000 in annual exploration expenditures. The Company can earn an additional 10% interest on completion of a feasibility study within a further three years.

(iv) Moss Lake

On August 5, 2004 the Company optioned a 100% property interest in the Moss Lake property for optional cash payments of $85,000 over 3 years ($25,000 paid) and optional share payments of 40,000 common shares over 3 years. The property is subject to an underlying 3% NSR Royalty, from which the Company may buy-back 2.0% at a price of $500,000 per one-half percentage point bought back.

(v) South Legris

In April 2000 the Company acquired an option to earn a 50% interest in 261 mineral claims located near Thunder Bay, Ontario known as the South Legris property in exchange for cash payments of $98,300 (paid) and the expenditure of $1,000,000 ($492,330 incurred) in exploration expenditures within 5 years of the date of the agreement. The Company terminated the option in 2004 and $587,369 in deferred costs related to the property were written off at August 31, 2004. The South Legris Option Agreement was later amended on January 27th, 2005 to allow the Company an additional three years (to April 10,2008) to meet it's exploration commitments in exchange for making annual cash payments of $5,000 to April 10, 2008 ($15,000 total) and undertaking a minimum of $50,000 in annual exploration expenditures. The Company can earn an additional 10% interest in the property by completing a feasibility study within 36 months of earning the 50% interest described above.

(vi) Seagull

On September 24, 2004 the Company acquired an option to earn up to a 70% interest in the Seagull property located in the Nipigon region of Ontario. The Company can earn an initial 50% property interest by completing certain exploration expenditures and cash payments over 5 years. Cumulative exploration expenditures required are $500,000 ($702,234 incurred to November 30, 2005) within 12 months from the date of the option agreement, $1.5 million within 24 months, $3.0 million within 36 months, $5.0 million within 48 months, and a cumulative total of $7.5 million within 60 months from the date of the option agreement. The Company can earn an additional 10% property interest by completing a bankable feasibility study for the property and may then earn a further 10% property interest by providing or arranging

5. MINERAL PROPERTIES (Continued)

(a) Ontario (continued)

(vi) Seagull

production financing. Required cash payments to the vendors are an initial $75,000 within 30 days of the agreement (paid), $75,000 within year one, $125,000 within year two, $125,000 within year three, $150,000 within year four, and $200,000 within year five for an aggregate total of $750,000. The property is subject to underlying NSR Royalties of 2.4% from which the Company may buy-back 1.4% for $2.0 million. The payment due September 24, 2005 has not been paid and the Company is renegotiating the terms of the agreement with the vendors.

(vii) Shelby Lake

On June 28, 2000, New Millennium entered into an option agreement to earn up to 60% interest in the Shelby Lake property, located in the Lac des Iles area. To earn a 50% interest the Company is required to make cash payments of $10,000 (paid), issue 30,303 shares (issued) and complete $500,000 in exploration expenditures over a four-year period. To November 30, 2005 the Company has incurred costs of $565,444. The Company may earn a further 10% interest by expending a further $500,000 over an additional 30-month period. The property is subject to a 2% NSR royalty, of which the Company can purchase one half back for $500,000.

(b) Republic of South Africa

(i) War Springs and Tweespalk

On June 3, 2002, the Company entered an option agreement whereby it may earn a 100% interest in the 2,396 hectare War Springs property and the 2,177 hectare Tweespalk property both located in the Northern Limb or Platreef area of the Bushveld Complex north of Johannesburg. Acquisition and exploration costs on these properties to November 30, 2005 total $2,719,846 (August 31, 2005 - $2,572,933).

The Company may purchase 100% of these mineral rights at any time within three years from the grant of a prospecting permit on each property for US$475 per hectare in year one, or US$570 per hectare in year two, or US$690 per hectare in year three. The Company must also pay prospecting fees to the vendors of US$2.50 per hectare in year one, US$2.75 per hectare in year two and US$3.25 per hectare in year three. Old Order prospecting permits were granted to the Company in August 2003 for the Tweespalk property and February 2004 for the War Springs property. The vendors retain a 1% NSR Royalty on the property, subject to the Company's right to purchase the NSR at any time for US$1.4 million. A 5% finders' fee applies to vendor payments.

5. MINERAL PROPERTIES (Continued)

(b) Republic of South Africa (continued)

(i) War Springs and Tweespalk (continued)

Under the new Minister and Petroleum Resources Development Act (2002), which became effective in May 2004, Old Order permits must be converted into New Order permits during a transition period. This process is underway for the War Springs and Tweespalk properties. The June 3, 2002 option agreement provides for amendments as may be needed to maintain the parties in the same commercial position as they were in under the preceding mineral legislation and such amendments are yet to be completed.

Black Economic Empowerment groups Africa Wide Mineral Prospecting and Exploration (Pty) Limited and Taung Minerals (Pty) Ltd. each have been granted a 15% interest in the War Springs project carried to bankable feasibility. The Company's retains a net 70% project interest.

Africa Wide also has a 30% participating interest in the Tweespalk property. The Company has not recorded a receivable for Africa Wide's share of costs to date, which at November 30, 2005 are calculated to be $253,903 (August 31, 2005 - $250,994). The Company expects that Africa Wide will be able to fund their share of costs in the future and amounts recovered from Africa Wide will be treated as a reduction of costs relating to the Tweespalk property.

(ii) Western Bushveld Joint Venture

On October 26, 2004 the Company entered into a joint venture with, Anglo American Platinum Corporation Limited and Africa Wide Mineral Prospecting and Exploration (Pty) Limited (the "WBJV") to pursue platinum exploration and development on combined mineral rights covering 67 square km on the Western Bushveld Complex of South Africa. The transaction closed effective January 26, 2005. The Company contributed all of its interests in portions of the farms Onderstepoort 98JQ and Elandsfontein 102JQ (see (ii) (1) and (ii) (2) below). Anglo Platinum contributed its interests in portions of the farms Koedoesfontein 94JQ, Elandsfontein 102JQ and Frischgewaagd 96JQ. The Company and Anglo Platinum will each own an initial 37% working interest in the WBJV, while Africa Wide will own an initial 26% working interest. Africa Wide will work with local community groups in order to facilitate their inclusion in the economic benefits of the WBJV in areas such as training, job creation and procurement.

The Company will also operate and fund an exploration program in the amount of Rand 35 million (at August 31, 2005 approx. US$5.4 million; C$6.44 million) over the next five years in order to earn its 37% interest in WBJV. Minimum expenditures in year one of Rand 5 million were completed by the Company before August 31, 2005. Optional expenditures in years two and three are also

5. MINERAL PROPERTIES (Continued)

(b) Republic of South Africa (continued)

(ii) Western Bushveld Joint Venture (continued)

Rand 5 million and in years four and five are Rand 10 million in each year. After R35 million in expenditures have been funded by PTM, the parties will fund their portion of further expenditures pro-rata based on their working interest in the WBJV.

Once a bankable feasibility study has been completed the respective deemed capital contribution of each party will be credited by adding their contribution of measured, indicated, and inferred PGE ounces from the contributed properties comprising the WBJV, determined in accordance with the South African SAMREC code. Inferred ounces will be credited at US$0.50 per ounce, indicated ounces will be credited at US$3.20 per ounce and measured ounces will be credited at US$6.20 per ounce. Each party will then have the opportunity to contribute additional capital in order to catch up any resulting shortfall in their contributed capital and thereby maintain their respective working interest in the JV. Should a party not wish to participate, the JV agreement provides a mechanism whereby the parties may elect to become "non-contributory" to the JV and by doing so they would be subject to dilution.

The Company has concluded that it has significant influence over the operations of WBJV and has therefore acquired an investment which will be recorded using the equity method.

The initial exchange of the Company's pre-existing interests in the Elandsfontein and Onderstepoort properties for the interest in WBJV has been recorded at cost as it represents a non-monetary exchange. The balance paid to date of the Company's commitment to spend up to R35 million in exploration costs has also been recorded as a cost of the investment and is included under mineral properties.

(1) Elandsfontein interest

In December 2002 the Company acquired an option to purchase 100% of the surface and mineral rights to 365.64 hectares of the farm Elandsfontein 102 JQ located in the Western Bushveld area. The Company made an initial payment to the Vendors of R 150,000 (approx. C$29,500) and agreed to terms for the purchase of both mineral and surface rights.

The Company exercised its option to purchase the Elandsfontein property by way of written notice on June 26, 2003. A dispute arose with the Vendors as to the purchase price and the matter was referred for Expert Determination as provided for in the option agreement.

5. MINERAL PROPERTIES (Continued)

(b) Republic of South Africa (continued)

(ii) Western Bushveld JV (continued)

(1) Elandsfontein interest (continued)

In May 2005 the Company and the Vendors reached agreement whereby the Company would purchase all surface and mineral rights to the property in exchange for 7.2 million Rand payable in five instalments to December 15, 2005. At August 31, 2005 payments of 4.2 million Rand had been made. On September 16, 2005, the Company made a final discounted payment of R 2.8 million to close the purchase three months early for a reduced total cost of Rand 7.0 million. In September 2005 the Company was granted a "New Order" prospecting permit under the new Mineral and Petroleum Resources Development Act (2002) over the Elandsfontein property.

(2) Onderstepoort interest

During 2003 the Company entered into three option agreements to acquire mineral rights on seven portions comprising approximately 1085 hectares of the farm Onderstepoort 98 JQ located in the Western Bushveld. The Company may earn 100% of the mineral rights over 647 hectares and 50% of the mineral rights over the balance of 438 hectares. To earn its interests the Company must make aggregate prospecting and option payments over time to the vendors of R12.44 million (approximately C$2.24 million) ending April 2008. Of this amount R834,000 has been paid. During 2004 the Company was granted old order prospecting permits on five portions of the farm. In 2005 the Company was granted New Order prospecting permits on the remaining two farm portions. Certain portions covering 569 ha are subject to the vendors right to participate as to a 7.5% working interest, or to convert 1% NSR royalty, which the Company may buy-back for R 5,000,000 (approximately C $900,000).

(c) Write-down of mineral properties

During the period the carrying values the Company's mineral properties were reviewed determined not to be impaired, resulting in $Nil write-off for the period (write off November 30, 2004 - $15,450).

5. MINERAL PROPERTIES (Continued)

(d) Title to mineral properties

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

6. FIXED ASSETS

	Nov. 30, 2005		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment and software	**$ 234,569**	**$ 112,726**	**$ 121,842**
Leasehold improvements	**22,970**	**8,978**	**13,992**
Office furniture and equipment	**82,890**	**25,966**	**56,923**
	$ 340,429	**$ 147,670**	**$ 192,758**

	Nov. 30, 2005		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment and software	$ 223,983	$ 103,650	$ 120,333
Leasehold improvements	22,970	7,345	15,625
Office furniture and equipment	75,418	22,268	53,150
	$ 322,371	$ 133,263	$ 189,108

7. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value

(b) Issued and outstanding

During the period ended November 30, 2005:

(i) the Company issued 25,000 common shares in connection with the acquisition of mineral properties at a fair value of $28,000.

7. SHARE CAPITAL (Continued)

(b) Issued and outstanding (continued)

(ii) 4,896 share purchase warrants were exercised for proceeds of $6,610 and 10,000 stock options were exercised for proceeds of $5,500.

(iii) the Company closed non-brokered private placements for 2.2 million units at a price of $1.45 per unit. Each unit consisted of one common share and one half a common share purchase warrant, with each whole warrant exercisable into a common share at a price of $1.75 for a period of 18 months from the date of closing. A finder's fee of $45,704 was paid in cash.

During the year ended August 31, 2005:

(iv) the Company issued 25,000 common shares in connection with the acquisition of mineral properties at a fair value of $28,000.

(v) 2,469,949 share purchase warrants were exercised for proceeds of $2,272,462 and 903,000 stock options were exercised for proceeds of $508,850.

(vi) the Company closed brokered private placements for gross proceeds of $6,259,900 on April 14, 2005. Proceeds of $259,901 were from the sale of 173,267 flow-through shares at $1.50 per share and $6,000,000 was from the sale of 5,000,000 non-flow-through units at $1.20 per unit. Each non-flow-through unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable to purchase an additional common share until October 14, 2006 at a price of $1.50 per share. Agent's fees amounted to 7.0% of gross proceeds, which totalled $438,193, which was paid in cash. The Agents' legal and other costs totalling $24,229 were paid by the Company. The Company paid $47,000 to its lawyers for legal costs relating to the private placement, $20,000 for consulting services, and $29,500 as a filing fee. The Agents also received 517,327 compensation options exercisable into common shares of the Company at a price of $1.50 per share until October 14, 2006.

During the year ended August 31, 2004:

(vii) the Company issued 10,909 common shares in connection with the acquisition of mineral properties at a fair value of $3,600.

(viii) 1,747,032 share purchase warrants were exercised for proceeds of $1,428,407 and 132,000 stock options were exercised for proceeds of $59,200.

(ix) the Company completed a private placement for total proceeds of $2,040,000 through the issuance of 2,400,000 units at a price of $0.85 per unit. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of $1.10 until October 31, 2004.

7. SHARE CAPITAL (Continued)

(b) Issued and outstanding (continued)

(x) the Company closed brokered private placements for gross proceeds of $2,721,555 on July 14, 2004. Proceeds of $1,267,200 were from the sale of 1,056,000 flow-through shares at $1.20 per share and $1,454,355 was from the sale of 1,385,100 non-flow-through units at $1.05 per unit. Each non-flow-through unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable to purchase an additional common share until January 14, 2006 at a price of $1.35 per share. Agent's fees amounted to 8.0% of gross proceeds. Of this amount $188,842 was paid in cash and $26,362 was paid by way of 25,107 non-flow-through units of the offering at the issue price of $1.05 per unit. The Agents' legal and other costs totalling $42,535 were paid by the Company. The Company paid $36,409 in legal costs relating to the private placement. The Agents also received 241,110 compensation options exercisable into common shares of the Company at a price of $1.20 per share until July 14, 2005.

(c) Incentive stock option agreement

The Company has entered into Incentive Stock Option Agreements ("Agreements") with directors, officers and employees. Under the terms of the Agreements, the exercise price of each option is set at the fair value of the common shares at the date of grant.

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

	Number of Shares	Weighted Average Exercise Price
Options outstanding at August 31, 2003	2,267,000	0.53
Granted	590,000	1.04
Exercised	(132,000)	0.45
Cancelled	(300,000)	0.60
Options outstanding at August 31, 2004	2,425,000	0.65
Granted	2,046,000	1.02
Exercised	(903,000)	0.56
Cancelled	(155,000)	1.05
Options outstanding at August 31, 2005	3,413,000	0.88
Exercised	(10,000)	0.55
Cancelled	(48,125)	1.08
Options outstanding at November 30, 2005	3,354,875	$ 0.88

7. SHARE CAPITAL (Continued)

(c) Incentive stock option agreement (continued)

Exercise Price	Number Outstanding at August 31, 2005	Weighted Average Remaining Contractual Life (Years)	Number Exercisable at August 31, 2005
$ 0.35	355,000	1.27	355,000
0.50	295,000	2.50	295,000
0.55	140,000	0.57	140,000
0.70	132,000	2.80	132,000
0.75	75,000	1.62	75,000
1.00	1,725,375	4.22	1,725,375
1.05	50,000	4.67	50,000
1.10	392,500	3.94	252,500
1.15	90,000	4.74	90,000
1.18	50,000	3.96	50,000
1.44	50,000	3.03	50,000
	3,354,875		3,214,875

(i) During the period ended November 30, 2005 there were no stock options granted.

(ii) During the year ended August 31, 2005 the Company granted 2,046,000 stock options to directors, officers, employees and consultants, (30,000 of which were cancelled during the same period). The Company has recorded $1,283,289 of compensation expense relating to stock options granted during the year. The stock-based compensation expense was determined using the Black-Scholes option pricing model and the following weighted average assumptions:

	August 31, 2005
Risk-free interest rate	2.93
Expected life of options	3.50
Annualized volatility	94%
Dividend rate	0.00%

(iii) During the year ended August 31, 2004, the Company granted 75,000 stock options to consultants and 515,000 stock options to employees. The Company recorded compensation expense of $92,881 relating to the stock options granted to consultants. No compensation expense was recorded for those granted to employees.

7. SHARE CAPITAL (Continued)

(d) Share purchase warrants

	Number of Warrants		Weighted Average Exercise Price
Balance at August 31, 2003	3,016,981	$	0.79
Issued to private placement placees (Note 7 (b) (ix) and (x))	1,892,550		1.19
Issued to agents on brokered financing (Note 7 (b) (x))	253,663		1.21
Exercised and converted to common shares	(1,747,032)		0.82
Balance at August 31, 2004	3,416,162		1.03
Issued to private placement placees (Note 7 (b) (vi))	2,500,000		1.50
Issued to agents on brokered financing (Note 7 (b) (vi))	517,327		1.50
Expired during the period	(241,110)		1.20
Exercised and converted to common shares	(2,469,949)		0.92
Balance at August 31, 2005	3,722,430	$	1.47
Issued to private placement placees (Note 7 (b) (iii))	1,100,000		1.75
Exercised and converted to common shares	(4,896)		0.55
Balance at November 30, 2005	4,817,534	$	1.54

Of the 4,817,534 common share warrants outstanding at November 30, 2005, 700,207 are exercisable at $1.35 per warrant expiring on January 14, 2006; 3,017,327 are exercisable at $1.50 per warrant expiring on October 14, 2006; and 1,100,000 are exercisable at $1.75 per warrant expiring on April 21, 2007;

8. RELATED PARTY TRANSACTIONS

Transactions with related parties are as follows:

(a) Management, salary and consulting fees of $68,873 (2004 - $66,179, 2003 - $64,119) were incurred with directors during the period. At November 30, 2005, $3,720 was included in accounts payable (2004 - $Nil).

(b) The Company received $33,361 (2004 - $34,691, 2003 - $37,749) during the period from MAG Silver Corp. (“MAG”), a company with common directors and a common officer, under the terms of a 2003 service agreement for administrative services.

(c) During the period the Company received a net payment of $63,560 against all outstanding amounts due from SYR for past and current administration services provided to SYR. The amount received was net of a credit adjustment of $7,800 in recognition of SYR’s relative inactivity in the first three quarters of calendar 2005. SYR has two directors and one advisor who also serve as directors and officers of the Company. At November 30, 2005 accounts receivable includes an amount of $152 due from SYR.

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

9. INCOME TAXES

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

		2005		2004
Statutory tax rates		**0%**		0%
Recovery of income taxes computed at statutory rates	**$**	**1,657,420**	$	$914,651
Effect of lower tax rates in foreign jurisdictions		**(34,701)**		(23,136)
Tax losses not recognized in the period that the benefit arose		**(829,719)**		(613,515)
Future income tax recovery	**$**	**793,000**	$	$278,000

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

		2005		2004
Future income tax assets				
Operating loss carryforwards	**$**	**2,599,980**	$	1,763,054
Fixed assets		**12,875**		24,357
Mineral properties		**72,993**		-
Share issuance costs		**287,579**		194,496
Valuation allowance on future income tax assets		**(2,973,427)**		(1,981,907)
	$	**-**	$	-
Future income tax liability				
Mineral properties	**$**	**-**	$	427,000
	$	**-**	$	427,000

The Company has Canadian non-capital loss carryforwards available to offset future taxable income in the amount of approximately $6.0 million, which expire at various dates from 2006 to 2012.

The Company has South African non-capital loss carryforwards available to offset future taxable income in the amount of approximately $842,000, which do not expire, subject to business continuity.

10. CONTINGENCIES AND COMMITMENTS

The Company's minimum payments under its office and equipment lease agreements, which it has entered into for the years ending on August 31, as well as its South African subsidiary commitments, are as follows as at November 30, 2005.

2006	$ 70,944
2007	76,575
2008	9,608
2009	9,608
2010	-
	$ 166,735

11. SUPPLEMENTARY CASH FLOW INFORMATION

(a) Net change in non-cash working capital

	Period ended November 30, 2005	Year ended August 31, 2005	Year ended August 31, 2004	Year ended August 31, 2003
Amounts receivable	**$ 244,734**	$ (102,923)	$ (164,724)	$ 217,633
Prepaid expenses and other	**40,511**	(36,673)	7,918	33,678
Accounts payable	**(74,509)**	(280,358)	490,347	58,120
	$ 210,736	$ (419,954)	$ 333,541	$ 309,431

(b) Cash and cash equivalents

Cash and cash equivalents consists of the following:

	Nov. 30, 2005	Aug. 31, 2005	Aug. 31, 2004
Cash	**$ 1,955,595**	**$ 693,661**	$ 273,176
Short-term deposits	**600,000**	**2,056,800**	2,150,000
	$ 2,555,595	**$ 2,750,461**	$ 2,423,176

12. SEGMENTED INFORMATION

The Company operates in one operating segment, that being exploration on mineral properties. Capitalized costs for mineral rights and deferred exploration relate to properties situated as follows:

	Nov. 30, 2005	Aug. 31, 2005
Canada	**$ 3,716,288**	**$ 3,635,298**
South Africa	**10,248,495**	**8,456,251**
	$ 13,964,783	**$ 12,091,549**

13. SUBSEQUENT EVENTS

(a) Subsequent to the period ended November 30, 2005 550,207 common shares were issued pursuant to the exercise of 550,207 warrants (expiring January 14, 2006) at a price of $1.35 per share for aggregate proceeds of $742,779. The balance of 150,000 outstanding warrants expired unexercised.

PTM

Platinum Group Metals Ltd.

(Development Stage Company)

Supplementary Information and MD&A
For the three month period ended November 30, 2005

Filed: January 16, 2006

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

The attached statements have not been reviewed by the Company's auditors

MANAGEMENT DISCUSSION AND ANALYSIS

1. DESCRIPTION OF BUSINESS

The Company is a British Columbia corporation incorporated on February 18, 2002 by an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. ("Old Platinum") and New Millennium Metals Corporation ("New Millennium"). The Company is an exploration and development company conducting work primarily on mineral properties it has staked or acquired by way of option agreement in Ontario, Canada and the Republic of South Africa. The Company has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The Company defers all acquisition, exploration and development costs related to mineral properties. The recoverability of these amounts is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of the property, and any future profitable production, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

2. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITIONS

a) Results of Operations

The Company has been very active on projects in South Africa in the first quarter of this fiscal year. The Company's Canadian projects were not active. During the quarter the Company incurred a net loss of $689,947 (2004 - $599,197). General and administrative expenses totaled $704,781 (2004 - $538,740). Interest, other income and recoveries amounted to $25,949 (2004 - $38,441). Global exploration expenditures during the quarter totaled $1,611,140 (2004 - $913,748).

On October 27, 2004, the Company announced the formation of the Western Bushveld Joint Venture ("WBJV") with Anglo Platinum and Africa Wide Mining. Work commenced immediately thereafter on the project and the rate of work has accelerated. Activities consist of research and data review, prospecting, mapping, engineering and drilling of the project area. The Company plans to complete a pre-feasibility study on Project 1 of the WBJV by mid-year 2006. At the time of writing there are 4 diamond drills turning on the WBJV. In August of 2005 the Company completed an engineering review, a statement of inferred resources, and Preliminary Assessment of the first planned project on the WBJV in compliance with Canadian National Instrument 43-101. Later, on December 12, 2005 the Company published an updated resource estimate for the WBJV. The Company was also active during the quarter with an exploration program on its War Springs project in South Africa, consisting of diamond drilling, geophysical surveys and ground prospecting. At the time of writing one drilling rig is working on the War Springs project.

During the quarter the Company executed a settlement and purchase agreement for both the surface rights and mineral rights to the Elandsfontein 102 JQ property, now a component property in the WBJV. The total purchase price became R7.0 million (approx. C$1.3 million), after a discount of R200,000 for early settlement. Prior to August 31, 2005, the Company paid out R4.2 million in payments and in September 2005 paid a final payment of R2.8 million to complete the transaction. The cost of this acquisition was accrued and included in accounts payable for the fiscal year ended August 31, 2005.

The Company has increased its general level of activity in the past two years in South Africa. Activities in Canada have been reduced, as the more advanced nature of the WBJV project has caused it to become an investment focus for the Company. The Company still actively reviews many potential property acquisitions in the normal course of business. The Company also makes efforts to raise its profile and liquidity in the capital markets.

The following tables set forth selected financial data from the Company's Interim and Audited Financial Statements and should be read in conjunction with these financial statements.

	Period ended Nov. 30, 2005	Year ended Aug. 31, 2005	Year ended Aug. 31, 2004
Revenue (interest & other income)	$25,949	$218,373	$430,106
Net Income (Loss)	($689,947)	($3,795,648)	($2,242,627)
Net Income (Loss) per Share	($0.02)	($0.10)	($0.07)
Total Assets	$17,067,533	$15,705,187	$9,134,019
Long Term Debt	Nil	Nil	Nil
Dividends	Nil	Nil	Nil

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

Quarter Ending	Revenue (interest & other income)	Net Loss	Net Loss per share
November 30, 2005	$25,949	(689,947)	($0.02)
August 31, 2005	$87,850	($62,634)	($0.00)
May 31, 2005	$44,993	($975,865)	($0.03)
February 28, 2005	$47,089	($2,157,952)	($0.05)
November 30, 2004	$38,441	($599,197)	($0.02)
August 31, 2004	$49,833	($898,979)	($0.03)
May 31, 2004	$46,906	($746,655)	($0.02)
February 29, 2004	$293,162	($196,152)	($0.01)

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

b) Trend Information

Other than the financial obligations as set out in the table provided at item 5 below, there are no identifiable trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, the Company's liquidity either increasing or decreasing at present or in the foreseeable future. The Company will require sufficient capital in the future to meet its acquisition payments and other obligations under mineral property option agreements for those properties it considers worthy to incur continued holding and exploration costs upon. The need to make such payments is a trend as it is unlikely that all such obligations will be eliminated from the Company's future business activities. The Company intends to utilize its cash on hand in order to meet its obligations under mineral property option agreements. It is unlikely that the Company will generate sufficient operating cash flow to meet all of these ongoing obligations in the foreseeable future. Accordingly, the Company will likely need to raise additional capital by issuance of equity within the next year. At this time the Company has no plan or intention to issue any debt in order to raise capital for future requirements; however, the Company is working to complete a bankable feasibility study for the WBJV by December 2006. If a production decision is taken by the WBJV upon completion of that study, the Company will likely pursue debt financing for a portion of its share of the capital requirements for that project.

At the time of writing there is a noted favourable trend with regard to the market for metal commodities and related products, however, it is the opinion of the Company that its own liquidity will be most affected by the results of its own acquisition, exploration and development activities. The acquisition or discovery of an economic mineral deposit on one of its mineral properties may have a favourable effect on the Company's liquidity, and conversely, the failure to acquire or find one may have a negative effect.

c) Risk Factors

The following is a brief discussion of those distinctive or special characteristics of the Company's operations and industry that may have a material impact on, or constitute risk factors in respect of, the Company's future financial performance.

The Company, and thus the securities of the Company, should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in this Annual Report prior to making an investment in the Company. In addition to the other information presented in this management discussion and analysis, the following risk factors should be given special consideration when evaluating an investment in the Company's securities.

General

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

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

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

Political and economic instability may affect the Company's business

The Company's activities in Canada and South Africa are subject to risks common to operations in the mining industry. South Africa has recently undergone significant change in its government since the free elections in 1994. At present, Mining Legislation in South Africa is undergoing change. The new Mineral and Petroleum Resources Development Act became law on May 1, 2004. The regulation and operation of this new law is still being implemented. In association with the new Act, the Mining Charter sets out a target of 26% ownership and participation in the mineral industry by "Historically Disadvantaged Persons" within ten years, but the mechanisms to fully affect this objective are still evolving. Accordingly, all laws may be considered relatively new, resulting in risks related to the possible misinterpretation of new laws, unilateral modification of mining or exploration rights, operating restrictions, increased taxes, environmental regulation, mine safety and other risks arising out of new sovereignty over mining, any or all of which could have an adverse affect on the Company. There is not certainty that the Company will be able to convert its existing exploration rights into mining rights. The Company's operations in general may also be affected in varying degrees by political and economic instability, terrorism, crime, extreme fluctuations in currency exchange rates and inflation.

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

The Company may be adversely or favorably affected by foreign currency fluctuations. The Company is primarily funded through equity investments into the Company denominated in Canadian Dollars. Several of the Company's options to acquire properties in the Republic of South Africa may result in option payments by the Company denominated in South African Rand or in U.S. Dollars over the next three years. Exploration and development programs to be conducted by the Company in South Africa will also be funded in South African Rand. Fluctuations in the exchange rate between the Canadian Dollar and the South African Rand may have an adverse or favorable affect on the Company.

The Company's properties are subject to title risks

The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties, and properties that it has the right to acquire or earn an interest in, are in good standing. However, the Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. These defects could adversely affect the Company's title to such properties or delay or increase the cost of the development of such properties.

The Company's properties may also be subject to aboriginal or other historical rights that may be claimed on Crown properties or other types of tenure with respect to which mineral rights have been conferred. The Company is not aware of any aboriginal land claims having been asserted or any legal actions relating to native issues having been instituted with respect to any of the mineral properties in which the Company has an interest. The Company is aware of the mutual benefits afforded by co-operative relationships with indigenous people in conducting exploration activity and is supportive of measures established to achieve such co-operation.

Environmental risk

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

The mineral exploration industry is extremely competitive

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

Metal prices affect the success of the Company's business

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are developed, a profitable market will exist for the sale of such product. Factors beyond the control of the Company may affect the marketability of any minerals discovered. No assurance may be given that metal prices will remain stable. Significant price fluctuations over short periods of time may be generated by numerous factors beyond the control of the Company, including domestic and international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increases or decreases in production due to improved mining and production methods. The effect of these factors on the price of minerals and therefore the economic viability of any of the Company's exploration projects cannot accurately be predicted. As the Company is in the exploration stage, the above factors have had no material impact on present operations or income.

Off-Balance sheet arrangements

The Company has no off-balance sheet arrangements.

d) Exploration Programs and Expenditures

Mineral property acquisition costs deferred during the period totaled $262,094 (2004 - $243,864), most of which was for South African property acquisition costs and payments. Exploration and development costs deferred in the period totaled $1,611,140 (2004 - $913,748). Of that amount $15,990 (2004 - $326,786) was incurred on the Company's Canadian properties. An amount of $1,595,150 (2004 - $586,962) was incurred on the Company's South African properties.

Cost recoveries on Canadian mineral properties during the quarter amounted to $Nil (2004 - Nil). During the quarter $Nil (2004 - $15,450) in deferred costs relating to mineral properties were written off. An amount of $Nil (2004 - $Nil) was written off for Ontario projects while the balance of $Nil (2004 - $15,450) related to South African write offs. For more information on mineral properties see Note 5. of the Company's August 31, 2005 Audited Financial Statements.

The Company continues to be active in the Republic of South Africa ("RSA"). In 2003 the Company acquired a 100% South African subsidiary named Platinum Group Metals (RSA)(Pty.) Ltd. ("PTM RSA") for the purposes of holding mineral rights and conducting operations on behalf of the Company. Mr. John A. Gould, a senior mining executive, is the managing director of PTM RSA and has established a permanent office in Johannesburg. During 2004 and 2005 several professional and administration staff joined PTM RSA. The Company now conducts all of its South African exploration and development work through PTM RSA.

On October 26, 2004 the Company (37%) entered into a joint venture with, Anglo Platinum Limited (37%) and Africa Wide Mineral Prospecting and Exploration (Pty) Limited (26%) to pursue platinum exploration and development on combined mineral rights covering 67 square kilometres on the Western Bushveld Complex of South Africa. The Company contributed all of its interests in portions of the farms Onderstepoort 98JQ and Elandsfontein 102JQ. Anglo Platinum contributed its interests in portions of the farms Koedoesfontein 94JQ, Elandsfontein 102JQ and Frischgewaagd 96JQ. The **Western Bushveld Joint Venture** immediately provides for a 26% Black Economic Empowerment interest to Africa Wide in satisfaction of the 10-year target set by the Mining Charter and newly enacted Mineral and Petroleum Resources Development Act. Africa Wide will also work with local community groups in order to facilitate their inclusion in the economic benefits of the JV in areas such as training, job creation and procurement.

PTM is operating and funding an exploration program in the amount of Rand 35 million (at August 31, 2005 approx. US$5.4 million; C$6.44 million) over five years to January 26, 2010. To November 30, 2005 the Company had spent approximately Rand 23 million (approx. C$4.25 million) on WBJV expenditures and to the time of writing has spent approximately Rand 29 million (approx. C$5.22 million). After Rand 35 million in expenditures have been funded by PTM, the parties are required to fund their portion of further expenditures pro-rata based upon their working interest in the Joint Venture. The JV agreement also includes pro-forma purchase agreements for either concentrate or broken ore.

Once a bankable feasibility study has been completed the respective deemed capital contribution of each party will be credited by adding their contribution of measured, indicated, and inferred PGE ounces from the contributed properties comprising the WBJV, determined in accordance with the South African SAMREC code. Inferred ounces will be credited at US$0.50 per ounce, indicated ounces will be credited at US$3.20 per ounce and measured ounces will be credited at US$6.20 per ounce. Each party will then have the opportunity to contribute forward going capital in order to catch up any resulting shortfall in their contributed capital and thereby maintain their respective working interest in the JV. Should a party not wish to participate, the JV agreement provides a mechanism whereby the parties may elect to become "non-contributory" to the JV and by doing so they would be subject to dilution.

Primary exploration targets for the WBJV are the Merensky and UG2 Reefs. The exploration areas on the properties are adjacent to the separate BRPM joint venture, which incorporates an existing mine, formerly Anglo Platinum's BRPM platinum mine, and the Styldrift property, contributed to the BRPM JV by the Royal Bafokeng Nation.

In March 2005 the Company received an NI 43-101 technical report and resource statement for the WBJV property. The report recommended additional diamond drilling and structural analysis for a budget of $907,007. This work was completed by mid 2005. In August 2005 the Company published an Independent Preliminary Assessment on the initial

WBJV resource area called “Project 1” in compliance with Canadian NI 43-101 standards. This report also recommended further work, which the Company has now completed.

On December 12, 2005 the Company published an updated Independent Resource Estimate reporting the classification of **1.31 million ounces platinum, palladium, rhodium and gold (4E) as Indicated Resources** (Merensky Reef – 3.68Mt at 7.33 g/t 4E and UG2 – 3.24 Mt at 4.25 g/t 4E) and **3.90 million ounces as Inferred Resources** (Merensky Reef – 13.59 Mt at 6.88g/t 4E and UG2 – 6.69 Mt at 4.15g/t 4E).

The December 12, 2005 resource evaluation includes only part of a potential Project 2 area. At this time, the resources outlined on Project 2 are only on the UG2 Reef and remain open along strike and down dip. Further drilling is currently underway to define additional potential on UG2 and Merensky Reefs. The resources outlined have not taken into account sufficient engineering, legal, permitting, financial and other considerations to be considered or classified as reserves. As resources they have no demonstrated viability. Based on these findings the Company is proceeding to complete a Pre-feasibility Study and this work is now in progress. The Pre-feasibility Study will address some of these issues. The Feasibility Study is targeted for completion at the end of 2006.

This December 12, 2005 resource estimate has substantially changed from the August 12, 2005 resource of 4.7 Million ounces Inferred (including 13.87 Million tonnes of Merensky Reef grading 9.67 g/t 4E). The mining width included in the resource calculation for the Merensky Reef has now increased from 1.12 meters to 1.31 and 1.34 meters. The changes in the resources include the upgrading to the Indicated category of a portion of the Merensky Reef resources and new Indicated Resources have been outlined on the UG2 Reef. In addition, new resources have been outlined on the Merensky Reef from surface to 250 metres deep. On the UG2 Reef in Project 2, new near-surface resources have been delineated with an average reef thickness 1.62 metres, on strike from the area previously investigated.

To the time of writing PTM has completed approximately 34,000 meters of drilling in 81 holes. The December 12, 2005 update included the results up to hole 53, along with previous results from Anglo Platinum. The resources are estimated under SAMREC categories by the kriging statistical method and the Indicated Resources have a drill spacing of approximately 250 meters or less. In keeping with best practice in resource estimation, an allowance for known and anticipated geological losses is made. These account for approximately 35% of the project area tested to date. The resource estimate has taken this into account.

The separate prill split estimates of the platinum, palladium, rhodium and gold (4E) for both indicated and inferred resources from the December 12, 2005 resource update are estimated below. While a rigorous statistical process of resource estimates has been completed on the combined 4E grades consistent with South African platinum industry best practice for estimation, caution must be exercised with respect to the prill-split estimates as they have been calculated using the arithmetic mean of the assay information.

Prill Splits Indicated Res.	Pt	Pt g/t	Pd	Pd g/t	Rh	Rh g/t	Au	Au g/t
MR FPP	66%	4.82	26%	1.94	3%	0.26	4%	0.31
MR CR	66%	3.08	26%	1.24	3%	0.16	4%	0.20
UG2	63%	2.69	27%	1.13	9%	0.39	1%	0.04

Prill Splits Inferred Res.	Pt	Pt g/t	Pd	Pd g/t	Rh	Rh g/t	Au	Au g/t
MR FPP	66%	4.53	26%	1.82	3%	0.24	4%	0.29
MR CR	66%	2.74	26%	1.10	3%	0.15	4%	0.18
UG2	63%	2.62	27%	1.11	9%	0.38	1%	0.04

The properties comprising the WBJV are all currently operated under either Old Order or New Order prospecting permits. New Order prospecting permits are granted under the new Mineral and Petroleum Resources Development Act. Old Order rights under prior legislation must be converted into New Order rights within a transitional period and this conversion process is underway for the WBJV's Old Order rights. Any future production from the WBJV will be subject to the grant of a Mining Authorization from the Government of South Africa.

The August 12, 2005 Independent Preliminary Assessment and the December 12, 2005 Resource Update both recommended the completion of further drilling to expand the known resource base, increase the confidence level assigned to specific resources, obtain core for metallurgical test work and provide additional data for the refinement and optimization of the Project 1 scope and mine plan. The December 12, 2006 report recommended additional boreholes in the areas of Project 1 (10 holes) and Project 2 (20 holes) at a total budgeted cost of 4.95 million Rand. The report also recommended the Company commission a pre-feasibility study. This work is underway. Final cost estimates for the pre-feasibility work are being compiled at the time of writing. The WBJV property includes the untested projected surface trace of the Merensky and UG2 reefs which have been intercepted in a number of drill holes outside of areas where resources have been defined to date. As recommended by the reports, follow-up drilling and engineering is now being executed. For drilling rigs are active at the time of writing on the WBJV. The potential to increase the size and confidence level of the inferred resources on the property is considered excellent by all members of the JV.

On June 3, 2002, the Company acquired a right to earn a 100% interest in two properties located in the Northern Limb of the Bushveld Complex. The properties are comprised of the 2,396 hectare **War Springs** Property and the 2,177 hectare **Tweespalk** Property, both located on the postulated extension of the Platreef near the PPRust Platinum Mine operated by Anglo Platinum Limited. The Company may purchase 100% of these mineral rights at any time within three years from the date of grant of a prospecting permit on each property for US$475 per hectare in year one, or US$570 per hectare in year two, or US$690 per hectare in year three. The Company was granted Old Order prospecting permits on both properties during the 2004 fiscal year. The Company has agreed to pay prospecting fees to the mineral rights holders of US$2.50 per hectare in year one, US$2.75 per hectare in year two and US$3.25 per hectare in year three. The mineral rights holders retain a 1% Net Smelter Return Royalty ("NSR") on the property, subject to the Company's right to purchase the NSR at any time for US$1.4 million. A 5% finder's fee on payments made to the mineral rights holders is payable to a South African consulting group retained by the Company in 2002. The Company incurred exploration costs of $704 (2004 - $44,281) on Tweespalk and $128,227 (2004 - $381,003) on War Springs during the period. Combined acquisition costs to November 30, 2005 on the War Springs and Tweespalk properties amounted to $183,064 (Aug. 31, 2005 - $165,082).

Old Order rights under prior legislation must be converted into New Order rights within a transitional period and this conversion process is underway for the War Springs and Tweespalk Old Order rights. The underlying acquisition agreement for these properties is also subject to amendment in order to re-define the original terms and conditions of the agreement under the new Mineral and Petroleum Resources Development Act.

In early 2004 the Company acquired detailed airborne magnetic data covering the War Springs property from a third party corporation. Interpretation of the airborne and later mapping and soil geochemistry surveys provided drill targets. Drilling commenced on the property in May 2004 and continued until April 2005. To the time of writing approximately 8,000 metres in 18 boreholes has been drilled.

In March 2005 the Company received an NI 43-101 compliant technical report for the War Springs and Tweespalk properties. No work was recommended for the Tweespalk property in 2005. During 2004 the Company conducted approximately 2,300 metres of drilling on the Tweespalk property. Results were encouraging and further work is under consideration for the future. The technical report did recommend an amount of $583,139 in continued diamond drilling work, analysis and modeling for War Springs with the objective of delineating a resource on the project in compliance with SAMREC, JORC and NI 43-101 standards. This work was mostly completed by August 31, 2005.

Subsequent to year end the Company announced an independent resource calculation on the War Springs property, including information on a new deposit type with potential for low cost bulk mining. The independent report confirms an NI 43-101 compliant inferred resource of 980,000 ounces of platinum, palladium, and gold (29.6 M tonnes grading 1.03 g/t 2PGE+Au (0.31 g/t Pt, 0.63 g/t Pd, 0.09 g/t Au), 0.13% Nickel, 0.11% Copper) with strong evidence of resource continuity. This new resource is found in two distinct reef layers 5-10 metres thick named the “B” and “C” reefs, starting at surface and dipping in parallel sheets at a 65 degree angle to a depth of 400 metres and remaining open. The Qualified Person has assessed the resource cut-off on a gross metal value of Rand 109 per tonne, based on a preliminary low cost decline, block cave mining model.

There is potential for resource expansion along the southern portion of the War Springs property. Soil sampling results, combined with geophysics, clearly outline the surface trace of the deposit and show a distinct extension to the south for a further 1.2 kilometres that is now being drill tested. The southern extension of the B and C reefs has a soil anomaly expression of twice the thickness and intensity of that on the newly drilled deposit, indicating excellent potential for improved grades and thickness in the new area. Since August 31, 2005 to the time of writing a further 510 metres of drilling has been completed and one drilling rig is active on the property at this time.

Black Economic Empowerment groups Africa Wide Mineral Prospecting and Exploration (Pty) Limited and Taung Minerals (Pty) Ltd. each have been granted a 15% interest in the War Springs project carried to bankable feasibility. The Company’s retains a net 70% project interest.

Africa Wide has also been granted a 30% participating interest in the Tweespalk property. The Company has not recorded a receivable for Africa Wide’s share of costs to date, which at November 30, 2005 are calculated to be $253,903 (August 31, 2005 - $250,994). The Company expects that Africa Wide will be able to fund their share of costs in the future and amounts recovered from Africa Wide will be treated as a reduction of costs relating to the Tweespalk property.

In December 2002 the Company acquired an option to purchase 100% of the surface and mineral rights to 365.64 hectares of the farm **Elandsfontein** 102 JQ located in the Western Bushveld area. The Company made an initial payment to the Vendors of R 150,000 (approx. C$29,500) and agreed to terms for the purchase of both mineral and surface rights.

The Company exercised its option to purchase the Elandsfontein property by way of written notice on June 26, 2003. A dispute arose with the Vendors as to the purchase price and the matter was referred for Expert Determination as provided for in the option agreement.

In May 2005 the Company and the Vendors reached agreement whereby the Company would purchase all surface and mineral rights to the property in exchange for 7.2 million Rand payable in five instalments to December 15, 2005. At August 31, 2005 payments of 4.2 million Rand had been made. After year-end, on September 16, 2005, the Company made a final discounted payment of R 2.8 million to close the purchase three months early for a reduced total cost of Rand 7.0 million. In September 2005 the Company was granted a “New Order” prospecting permit under the new Mineral and Petroleum Resources Development Act over the Elandsfontein property.

During late 2003 the Company acquired an option to earn a 51% interest in the **Lakemount** nickel-copper-PGE project located near Wawa, Ontario in exchange for cash payments of $150,000 ($75,000 paid to November 30, 2005), share payments of 150,000 (50,000 issued and paid to November, 2005) and exploration work of $2.5 million to December 31, 2008 ($1,089,0444 completed to November 30, 2005). The Company can buy a further 11% from an underlying vendor for $3.3 million, bringing the Company’s potential project interest to 62%. The property is known to host well-

defined low-grade nickel-copper-PGE mineralization. To early 2005 the Company has completed more than 3,300 metres of drilling on the property, as well as airborne, ground based and down-hole geophysical surveys. Results continue to indicate the potential for both open pit and underground resources on the property. Combined acquisition and exploration costs deferred on the property by the Company amounted to $1,290,818 at November 30, 2005 (2004 - $1,110,921). Roscoe Postle Associates Inc. of Toronto completed an NI 43-101 compliant preliminary resource assessment and scoping study for the project in early 2005. The Company is not presently active on the property. Future work is under consideration.

In September 2004 the Company acquired an option to earn an initial 50% interest in the **Seagull** property located in the Nipigon region of Ontario by completing $7.5 million of exploration work ($702,234 completed to November 30, 2005) and making cash payments of $750,000 ($75,000 paid) over a five-year period to September 24, 2009. PTM can earn an additional 10% property interest by completing a bankable feasibility study for the property and a further 10% property interest by providing or arranging production financing. The property is subject to underlying NSR Royalties of 2.4% from which PTM may buy-back 1.4% for $2.0 million. During the year the Company's exploration work on this property consisted of drilling, geochemistry, geophysics, mapping and modeling. Results were encouraging and future work is under consideration.

The Company's **Agnew Lake** property was not active at August 31, 2005. The Company has directly performed $512,265 worth of exploration work and caused further work of approximately $3,140,805 to be performed through the joint venture arrangement with PFN and Kaymin to August 31, 2005. Occurrences of PGEs have been located on the property, but no resource has been delineated to date. At August 31, 2005 the Company wrote off its remaining investment in the property of $276,852. Subsequent to year end Kaymin advised the Company that it would cease further funding of the project. Kaymin also notified the Company that they would vest as to a 26.17% interest in the property in accordance the terms of their option agreement.

e) Administration Expenses

Before a non-cash charge for stock based compensation of $Nil (2004 - $50,500), and not including interest, other income and recoveries in the period of $25,949 (2004 - $38,279), general and administrative expenses totaled $704,781 (2004 - $488,078). Since 2002 the Company has grown substantially through its amalgamation with New Millennium Metals Corporation and its expansion into the Republic of South Africa. This growth is reflected in the costs described herein. During 2004 the Company opened and staffed a permanent office in Johannesburg and commenced active exploration on the ground. The costs described above include management and consulting fees of $148,753 (2004 - $80,956); office and miscellaneous expenses of $35,589 (2004 - $22,157); professional fees of $95,398 (2004 - $74,748); salaries and benefits of $188,903 (2004 - $150,038); shareholder relations expense of $35,835 (2004 - $657); travel expenses of $69,807 (2004 - $54,767); mail, news releases and printing expense of $10,049 (2004 - $5,212) and promotion expenses of $28,473 (2004 - $19,795).

f) Related Party Transactions

Management and consulting fees expense and salaries in the period of $68,873 (2004 - $66,179) were incurred with two directors (2004 - three directors) of the Company. Of this amount approximately $38,423 (2004 - $33,472) is related to fees for the Company's President. At November 30, 2005 there were $3,720 fees (2004 - $nil) owed and included in accounts payable.

During the period the Company received $33,361 (2004 - $34,691) from MAG Silver Corp., a company with a common director and common officer to the Company under the terms of a 2003 service agreement.

The Company gave a credit of $7,800 against a settlement for amounts due of $52,992 at August 31, 2005 for past services to Sydney Resource Corp., a company with two common directors to the Company. At November 30, 2005 accounts receivable includes $152 due from Sydney.

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

g) Shareholder Relations' Expenses

Shareholder relations' expense during the period totaled $35,835 (2004 - $657). Since 2003 the Company has managed its shareholder relations as an internal function. The Company has been active in raising its profile with both retail and institutional investors. Since May 2005 Roth Investor Relations has been contracted at a rate of US $5,000 per month to provide distribution of the Company's information to US institutions and other international analysts and money managers. Prior to May 2005 Roth was contracted by the Company to provide services, on an invoice basis, as needed from time to time. Roth has offices in New Jersey, USA and affiliated offices in London and Johannesburg. Mr. Larry Roth is the Company's primary contact with the firm. Since June 2005 Mr. Tony Mahalski of LM Associates in London, U.K., has been engaged for a fee of GBP 1,000 per month for the purpose of general business development and the raising of the Company's profile in Europe.

h) Travel and Promotion Expenses

Travel expenses for the period amounted to $69,807 (2004 - $54,767). These activities relate to the supervision of ongoing operations, new property investigations and meetings with potential institutional and sophisticated investors. Since early 2004 the Company's increased activity level in South Africa has increased these costs. Promotion expenses in the period amounted to $28,473 (2004 - $19,795) and these costs relate to design work, media relations, printed material, postage and trade show attendance.

i) Property Acquisition Expenses

Property acquisition expenditures during the period totaled $262,094 (2004 - $243,864) in cash and shares. This includes $65,000 for properties in Ontario, and $197,094 to acquire or maintain option rights to the South African properties. Cash payments or accruals totaled $222,094 (2004 - $215,864) and share issuances for property acquisitions totaled $40,000 (2004 - $28,000).

The sum of all payments required to perfect all of the Company's mineral rights are greater than its currently available working capital. The Company evaluates its property interests on an ongoing basis and intends to abandon properties that fail to remain prospective. The Company is confident that it will be able to meet its earn-in obligations on those properties which management considers to be of merit. At the time of writing the Company was incurring further property acquisition expenses through its activities in Ontario, Canada and the Republic of South Africa.

3. CRITICAL ACCOUNTING POLICIES

The Company's accounting policies are set out in Note 2 of its Consolidated Financial Statements for the period ended November 30, 2005.

There are two policies that, due to the nature of the mining business, are significant to the financial results of the Company. These policies relate to the capitalization of mineral exploration expenditures and the use of estimates:

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

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

4. CHANGE IN ACCOUNTING POLICY

Effective September 1, 2004, the Company adopted the amended recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3870, *Stock-based Compensation and Other Stock-based Payments* . Under the amended standards of this section, the fair value of all stock-based awards granted are estimated using the Black-Scholes model and recorded over their vesting periods. The compensation cost related to stock options granted after September 1, 2004 is recorded in operations.

Previously, the Company provided note disclosure of pro forma net earnings and pro forma earnings per share as if the fair value based method had been used to account for share purchase options granted to employees, directors and officers after September 1, 2002. The amended recommendations have been applied retroactively from September 1, 2002 without restatement of prior periods. As a result, as of September 1, 2004, the deficit was increased by $318,000, contributed surplus was increased by $304,977, and share capital was increased by $13,023 for share purchase options granted in prior years and exercised in 2005. The total compensation expense recognized in the statement of operations for share purchase options granted in 2005 amounts to $1,283,289. Had the same basis been applied to share purchase options granted in 2004 and 2003 the stock compensation expense recognized would have been $241,000 and $77,000 respectively.

5. LIQUIDITY AND CAPITAL RESOURCES

The Company issued a total of 2,239,896 (2004 – 3,322,949) common shares during the period. Of this 2,214,896 shares (2004 – 3,297,949) were issued for cash proceeds of $3,158,397 (2004 - $2,312,151). A further 25,000 shares (2004 – 25,000) were issued for mineral properties for a value of $40,000 (2004 - $28,000). Cash proceeds are to be spent on mineral property acquisitions, exploration and development as well as for general working capital purposes. See Subsequent Events for further equity issuances. The Company's primary source of capital has been from the sale of equity. At November 30, 2005 the Company had cash and cash equivalents on hand of $2,555,595 compared to cash and cash equivalents of $2,831,514 at November 30, 2004. The primary use of cash during the period was for acquisition and exploration expenditures, being approximately $2,904,830 (2004 - $1,157,612), management fees and expenses of $148,753 (2004 - $80,956) and other general and administrative expenses of $556,028 (2004 - $407,122).

In the normal course of business the Company enters into transactions for the purchase of supplies and services denominated in South African Rand. The Company also has cash and certain liabilities denominated in South African Rand. As a result the Company is subject to foreign exchange risk from fluctuations in foreign exchange rates. In the past year to the time of writing this report, the South African Rand has fallen in value against the Canadian Dollar by approximately 13%.
The following Table discloses the contractual obligations of the Company for optional mineral property acquisition payments, optional exploration work and committed lease obligations for office rent and equipment:

Contractual Obligations	**Payments due by period**				
	Total	**< 1 Year**	**1 – 3 Years**	**3 – 5 Years**	**> 5 Years**
Acquisition Payments	$ 7,023,710	$ 1,013,200	$ 5,660,510	$ 350,000	$ 0
Exploration Costs	10,306,632	897,676	5,673,956	3,735,000	0
Lease Obligations	166,735	70,944	86,183	9,608	0
Totals	**$17,497,077**	**$ 1,981,820**	**$ 11,420,649**	**$ 4,094,608**	**$ 0**

6. CORPORATE GOVERNANCE

A system of internal control is maintained by management to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable. The Board of Directors approves the financial statements and ensures that management discharges its financial responsibilities. The Board's review is accomplished principally through the audit committee, which is composed of independent non-executive directors. The audit committee meets periodically with management and auditors to review financial reporting and control matters. The Board of Directors has also appointed a compensation committee composed of non-executive directors whose recommendations are followed with regard to executive compensation. From time to time the board may also form special sub-committees, which must investigate and report to the Board on specific topics.

7. SUBSEQUENT EVENTS

In October 2005 the Company closed non-brokered private placements for 2.2 million units at a price of $1.45 per unit. Each unit consisted of one common share and one half a common share purchase warrant, with each whole warrant exercisable into a common share at a price of $1.75 for a period of 18 months from the date of closing. A finder's fee of $45,704 was paid in cash.

Subsequent to the period ended November 30, 2005 550,207 common shares were issued pursuant to the exercise of 550,207 warrants (expired January 14, 2006) at a price of $1.35 per share for aggregate proceeds of $742,779. The balance of 150,000 outstanding warrants expired unexercised.

8. LIST OF DIRECTORS AND OFFICERS

a) Directors:

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

b) Officers:

R. Michael Jones (President)
Frank R. Hallam (Chief Financial Officer)
Barry Smee (Secretary)

c) Officers of Subsidiary:

John A. Gould (Managing Director Platinum Group Metals RSA (Pty) Ltd.)