PLATINUM GROUP METALS LTD

FORM 6-K
(Report of Foreign Issuer)

Filed 07/19/10 for the Period Ending 06/16/10

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

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 the period of: June 16, 2010 to July 15, 2010

Platinum Group Metals Ltd.

(SEC File No. 0-30306)

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

Indicate by check mark whether the registrant files or will file annual reports under cover: Form 20-F [ ] Form 40-F [X]

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-_____

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: **July 15, 2010** *"R. Michael Jones"*
R. MICHAEL JONES
DIRECTOR & CEO

Exhibit List

99.1 News Release dated July 15, 2010
99.2 Consolidated Financial Statements for the Third Quarter ended May 31, 2010
99.3 Supplementary Information and MD&A for the Quarter ended May 31, 2010
99.4 Form 52-109F2 Certification of Interim Filings - Chief Executive Officer
99.5 Form 52-109F2 Certification of Interim Filings - Chief Financial Officer

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PLATINUM GROUP METALS
PLG:NYSE AMEX
PTM:TSX

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News Release

No. 10-186
July 15, 2010

Platinum Group Reports 2010 Third Quarter Financial Results

(Vancouver/Johannesburg) **Platinum Group Metals Ltd.** (PTM-TSX; PLG-NYSE.AMEX) ("Platinum Group") announces the publication of the Company's financial results for the nine months ending May 31, 2010. For more details of the May 31, 2010 financial statements and Management's Discussion and Analysis please see the Company's filings on SEDAR (www.sedar.com) or on EDGAR (www.sec.gov). All amounts herein are reported in Canadian dollars unless otherwise specified.

On April 22, 2010 the partners of the Western Bushveld Joint Venture completed a transaction first announced September 2, 2008 whereby the WBJV was dissolved with the following outcomes:

- The Company and Wesizwe transferred a collective 100% interest in Projects 1 and 3 into new operating company Maseve Investments 11 (Pty) Ltd.
- The Company sold its 18.5% interest in Project 2 to Wesizwe.
- Anglo became a shareholder of Wesizwe Platinum Limited.
- The Company holds 54.75% of Maseve with a right to subscribe for a further 19.25% interest for Rand 408.6 million (approx. $55.67 million) to bring its holdings to 74%, with Wesizwe holding the remaining interest.

The Company's subscription into Maseve will be held in escrow to be applied towards Wesizwe's capital requirements for Projects 1 and 3. The subscription into Maseve is due by January 22, 2011. The Company may make partial subscriptions.

As a condition precedent to the above the Company paid an equalization amount due to Anglo Platinum Limited of Rand 186.26 million ($24.83 million) as required under the terms of the original WBJV Agreement.

The sale of the Company's 18.5% interest in Project 2 was accounted for as an arm's length transaction at a fair market value of $65.42 million on April 22, 2010, versus an historic cost of $19.8 million, for a gain of $45.62 million. The transfer of the Company's 37% interest in Projects 1 and 3 into Maseve was accounted for as a reorganization of existing business and was transferred into Maseve at book cost. The April 22, 2010 transactions qualified for relief from capital gains tax in accordance with South African tax law.

The Company is actively assessing several strategic alternatives in order to maximize shareholder value from its projects in South Africa. The alternatives include building the Project 1 platinum mine using conventional debt and equity, hedging some of the project in a partnership or transaction involving a minority of the metal flow, or the sale of the Company. The Company hopes to finalize and announce its path forward shortly.

The Company's cash position at May 31, 2010 was $4.78 million (2009 - $2.87 million). Accounts receivable at May 31, 2010 totalled $515,095 (2009 - $603,707) while accounts payable amounted to $1.41 million (2009 - $885,807). Accounts payable include an amount of $212,822 due to Wesizwe after the accounting for various amounts due to and from the former partners of the WBJV. Also included are accrued professional fees of approximately $393,000, accrued strategic advisory and consulting fees of approximately $253,000, exploration and drilling costs of approximately $300,000 while the balance related to ongoing work, administration and regular trade payables.

Total global exploration and engineering expenditures for the Company's account during the nine month period, totalled $1.01 million (2009 - $1.11 million). Of this amount $838,552 was for development and exploration on Projects 1 and 3 (2009 - $894,312) and $174,142 was for other exploration (2009 - $217,038). Exploration expenditures of $1.48 million funded by JOGMEC during the period for War Springs and Waterberg are not included in the total reported above. Subsequent to the end of the period JOGMEC approved a further US $921,089 in funding for work on the War Springs and Waterberg projects.

The Company's gain for the period ended May 31, 2010 amounted to $42.7 million or $0.46 per share as compared to a loss of $5.2 million or $0.08 per share for the comparative period in fiscal 2009. The results include a $45.62 million gain on sale of 18.5% of Project 2 and a gain on sale of marketable securities in the period of $2.72 million. Net interest income earned amounted to $432,790 (2009 - $98,233).

Costs for the period include $137,600 as a non-cash charge for Stock Based Compensation (2009 - $1.39 million). General overhead and administration costs for the period excluding Stock Based Compensation amounted to $5.74 million (2009 - $4.06 million). The increase in general and administrative expenses over the comparative year's period is explained for the most part by a foreign exchange loss of $906,749 compared to a foreign exchange gain of $259,540 in 2009. Professional fees totalled $1.21 million for the period (2009 - $726,768). This amount includes $984,186 for legal fees, $117,186 for accounting advisory fees and $107,229 for audit fees. All of these costs are higher than in the comparative period as the Company has been conducting negotiations, due diligence and drafting of agreements related to strategic options. Management and Consulting fees of $1.09 million (2009 - $769,610) were higher in the current period in part due to $184,881 incurred for independent technical due diligence and $123,340 in additional director and senior management fees. The amount of salaries and benefits expensed in the period remained constant $1.33 million (2009 - $1.28 million). Offsetting some of these increased expenses was a decrease of $145,721 in shareholder relations expenses ($140,550 vs. $286,271 in 2009); and a decrease of $151,334 in travel expenses ($329,756 vs. $481,090 in 2009).

About Platinum Group Metals Ltd.
Platinum Group is based in Vancouver BC, Canada and Johannesburg, South Africa. Platinum Group has a management team in both Canada and South Africa, which have successful track records of more than 20 years each in exploration, mine discovery, mine construction and mine operations. The Company was formed in 2000 and is focused on the development of platinum operations.

On behalf of the Board of
Platinum Group Metals Ltd.

"Frank R. Hallam"

Chief Financial Officer and Director

For further information contact:
R. Michael Jones, President
or Kris Begic, Corporate Development
Platinum Group Metals Ltd., Vancouver
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This press release contains forward-looking statements within the meaning of Canadian and U.S. securities laws. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. All statements that are not statements of historical fact are forward-looking statements. Forward-looking statements in this press release include, without limitation, statements regarding the timing, size and use of proceeds of the proposed private placement and the potential to increase the Company's interest in certain of its projects. In addition, the results of the feasibility study may constitute forward-looking statements to the extent that they reflect estimates of mineralization, capital and operating expenses, metal prices and other factors. Although the Company believes the forward-looking statements in this press release are reasonable, it can give no assurance that the expectations and assumptions in such statements will prove to be correct. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, variations in market conditions, the nature, quality and quantity of any mineral deposits that may be located, the Company's ability to obtain any necessary permits, consents or authorizations required for its activities, the Company's ability to produce minerals from its properties successfully or profitably, to continue its projected growth, or to be fully able to implement its business strategies and other risk factors described in he Company's Form 40-F annual report, annual information form and other filings with the SEC and Canadian securities regulators, which may be viewed at www.sec.gov and www.sedar.com , respectively.

PLATINUM GROUP METALS

PLG:NYSE AMEX
PTM:TSX

Platinum Group Metals Ltd.
(Exploration and Development Stage Company)
Consolidated Financial Statements (Unaudited)
For the third quarter ended May 31, 2010

Filed: July 15, 2010

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

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

Consolidated Balance Sheets	**Unaudited**	
(expressed in Canadian dollars)	**May 31, 2010**	Aug. 31, 2009
ASSETS		
CURRENT		
Cash and cash equivalents	**$ 4,782,350**	$ 32,965,685
Amounts receivable (Note 3)	**415,656**	344,538
Available-for-sale securities (Note 4)	**-**	2,135,002
Due from WBJV partners	**-**	988,880
Due from JOGMEC partner (Note 5(b))	**99,439**	224,482
Prepaid expenses and other assets	**72,049**	50,812
Assets held for sale (Note 6(c))	**2,269,220**	-
Total current assets	**7,638,714**	36,709,399
PERFORMANCE BONDS	**146,111**	137,849
INVESTMENT IN WBJV (Note 5(a))	**-**	20,561,154
MINERAL PROPERTIES (Note 5(a))	**108,103,738**	6,057,034
FIXED ASSETS (Note 6(a))	**331,178**	365,079
SURFACE RIGHTS (Note 6(b))	**3,955,602**	3,240,282
Total assets	**$ 120,175,343**	$ 67,070,797
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 1,195,637**	$ 861,041
Due to Wesizwe	**212,822**	-
Total liabilities	**1,408,459**	**861,041**
NON CONTROLLING INTEREST (Note 5 (a))	**$ 11,108,653**	$ -
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	**91,730,755**	89,945,316
Contributed surplus	**10,953,195**	11,458,915
Accumulated other comprehensive income	**(3,507,273)**	(975,575)
Retained earnings (deficit)	**8,481,554**	(34,218,900)
Total shareholders' equity	**107,658,231**	66,209,756
Total liabilities and shareholders' equity	**$ 120,175,343**	$ 67,070,797

CONTINGENCIES AND COMMITMENTS (NOTE 11)

APPROVED BY THE DIRECTORS:

"Iain McLean"

Iain McLean, Director

"Eric Carlson"

Eric Carlson, Director

See accompanying notes to the consolidated financial statements.

PLATINUM GROUP METALS LTD.

(An exploration and development stage company)

Interim Consolidated Statements of Operations

(Unaudited)

(expressed in Canadian dollars)

	Three Months Ended May 31, 2010	Three Months Ended May 31, 2009	Nine Months Ended May 31, 2010	Nine Months Ended May 31, 2009
EXPENSES				
Amortization	$ 25,027	$ 36,886	$ 80,139	$ 105,681
Annual general meeting	94	-	52,498	67,530
Filing and transfer agent fees	6,374	57,427	121,157	101,662
Foreign exchange loss (gain)	820,940	(26,719)	906,749	(259,540)
Insurance	23,490	30,496	79,975	90,847
Management and consulting fees	440,095	147,562	1,089,558	769,610
News releases, print and mailout	2,587	6,971	34,969	38,730
Office and miscellaneous	61,432	42,775	157,129	137,105
Professional fees	742,828	328,997	1,208,601	726,768
Promotion	71,912	79,609	154,255	175,741
Rent	49,063	47,023	155,952	140,910
Salaries and benefits	487,814	434,725	1,333,235	1,284,623
Shareholder relations	21,946	76,560	140,550	286,271
Stock compensation expense	-	219,535	137,600	1,394,986
Telephone	19,221	27,768	50,940	68,941
Travel	114,219	173,658	329,756	481,090
Recoveries	(60,545)	(58,307)	(160,434)	(152,835)
	(2,826,497)	(1,624,966)	(5,872,629)	(5,458,120)
Less interest earned	220,145	73,959	432,790	98,233
Loss for the period before other items	(2,606,352)	(1,551,007)	(5,439,839)	(5,359,887)
Other items:				
Realized gain on available-for-sale securities (Note 4)	82,047	-	2,796,738	-
Gain on sale of Project #2 (Note 5)	45,619,744	-	45,619,744	-
Gain on sale of fixed assets	227	-	1,661	-
Earnings (Loss) for the period before income taxes	43,095,666	(1,551,007)	42,978,304	(5,359,887)
Future income tax (expense) credit	(11,718)	72,200	(277,850)	114,960
Earnings (Loss) for the period	$ 43,083,948	$ (1,478,807)	$ 42,700,454	$ (5,244,927)
Other comprehensive (loss) income				
Realized gain on available-for-sale securities	(47,660)	-	(1,636,252)	-
Unrealized (loss) gain on available-for-sale securities (Note 4)	(18,743)	273,701	-	71,401
Comprehensive earnings (loss) for the period	$ 43,017,545	$ (1,205,106)	$ 41,064,202	$ (5,173,526)
Basic earnings (loss) per common share	$ 0.46	$ (0.02)	$ 0.46	$ (0.08)
Diluted earnings (loss) per common share	$ 0.44	$ (0.02)	$ 0.45	$ (0.08)
Weighted-average number of common shares outstanding - Basic	93,927,292	67,714,707	93,348,779	67,073,502
Weighted-average number of common shares outstanding - Diluted	97,794,583	67,714,707	95,432,692	67,073,502

See accompanying notes to the consolidated financial statements.

PLATINUM GROUP METALS LTD.

(An exploration and development stage company)

Consolidated Statements of Shareholders' Equity

August 31, 2006, to May 31, 2010
(Unaudited)

(expressed in Canadian dollars)

	Common shares without par value			Accumulated other	Retained Earnings/Deficit accumulated during exploration &	Total
	Shares	Amount	Contributed surplus	comprehensive income	development stage	shareholders' equity
Balance, August 31, 2006	53,691,178	39,798,768	1,785,705	(658,381)	(15,410,804)	25,515,288
Issued on exercise of warrants	6,333,194	11,454,791	-	-	-	11,454,791
Issued on exercise of stock options	914,375	892,557	(266,982)	-	-	625,575
Issued for mineral properties net of costs	50,000	227,742	-	-	-	227,742
Stock options granted	-	-	1,487,661	-	-	1,487,661
Translation adjustment	-	-	-	(1,707,495)	-	(1,707,495)
Net loss	-	-	-	-	(6,758,123)	(6,758,123)
Balance, August 31, 2007	60,988,747	52,373,858	3,006,384	(2,365,876)	(22,168,927)	30,845,439
Transition adjustment (Note 4)	-	-	-	1,592,901	-	1,592,901
Issued on exercise of warrants	850,000	1,487,500	-	-	-	1,487,500
Issued on exercise of stock options	760,500	1,334,748	(512,924)	-	-	821,824
Issued for mineral properties net of costs	50,000	163,236	-	-	-	163,236
Stock options granted	-	-	1,288,383	-	-	1,288,383
Translation adjustment	-	-	-	(674,771)	-	(674,771)
Unrealized loss on AFS securities	-	-	-	(821,101)	-	(821,101)
Net loss	-	-	-	-	(5,086,589)	(5,086,589)
Balance, August 31, 2008	62,649,247	55,359,342	3,781,843	(2,268,847)	(27,255,516)	29,616,822
Issuance of common shares and warrants for cash	29,969,770	34,174,382	5,288,917	-	-	39,463,299
Issued on exercise of stock options	196,650	411,592	(129,952)	-	-	281,640
Stock options granted	-	-	2,518,107	-	-	2,518,107
Translation adjustment	-	-	-	428,820	-	428,820
Unrealized gain on AFS securities	-	-	-	864,452	-	864,452
Net loss	-	-	-	-	(6,963,384)	(6,963,384)
Balance, August 31, 2009	92,815,667	89,945,316	11,458,915	(975,575)	(34,218,900)	66,209,756
Issued on exercise of stock options	1,111,625	1,785,439	(670,615)	-	-	1,114,824
Stock options granted	-	-	164,895	-	-	164,895
Translation adjustment	-	-	-	(895,448)	-	(895,448)
Realized gain transferred to income				(1,636,250)		(1,636,250)
Net earnings for the period	-	-	-	-	42,700,454	42,700,454
Balance, May 31, 2010	93,927,292	$ 91,730,755	$ 10,953,195	$ (3,507,273)	$ 8,481,554	$ 107,658,231

PLATINUM GROUP METALS LTD.

(An exploration and development stage company)

Interim Consolidated Statements of Cash Flows
(Unaudited)

(expressed in Canadian dollars)

	Three Months Ended May 31, 2010	Three Months Ended May 31, 2009	Nine Months Ended May 31, 2010	Nine Months Ended May 31, 2009
OPERATING ACTIVITIES				
Earnings (loss) for the period	$ 43,083,948	$ (1,478,807)	$ 42,700,454	$ (5,244,927)
Add items not affecting cash				
Amortization	25,027	36,886	80,139	105,681
Future income tax expense (credit)	11,718	(72,200)	277,850	(114,960)
Realized gain on available-for-sale securities	(82,047)	-	(2,796,738)	-
Realized gain on sale of project #2	(45,619,744)	-	(45,619,744)	-
Non-cash stock compensation expense	-	219,535	137,600	1,394,986
Net change in non-cash working capital (Note 12)	(135,913)	(52,661)	367,284	(301,030)
	(2,717,011)	(1,347,247)	(4,853,155)	(4,160,250)
FINANCING ACTIVITIES				
Performance bonds	1,069	37,787	(8,262)	29,695
Issuance of common shares	-	171,041	1,114,824	7,589,721
	1,069	208,828	1,106,562	7,619,416
INVESTING ACTIVITIES				
Acquisition of fixed assets	(6,187)	(9,028)	(46,238)	(19,617)
Acquisition cost of mineral properties	(25,238,702)	(399)	(27,213,100)	(16,941)
Acquisition of surface rights	-	(1,942,784)	-	(1,951,313)
Expenditure on exploration	(155,690)	13,724	(184,142)	(217,038)
Investment in WBJV	-	(311,221)	-	(168,256)
Proceeds on sale of available-for-sale securities	88,347	-	3,006,738	-
	(25,312,232)	(2,249,708)	(24,436,742)	(2,373,165)
Net (decrease)/ increase in cash and cash equivalents	(28,028,174)	(3,388,127)	(28,183,335)	1,086,001
Cash and cash equivalents, beginning of period	32,810,524	6,253,999	32,965,685	1,779,871
Cash and cash equivalents, end of period	$ 4,782,350	$ 2,865,872	$ 4,782,350	$ 2,865,872

See accompanying notes to the consolidated financial statements.

1. NATURE OF OPERATIONS

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of presentation and principles of consolidation

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

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Platinum Group Metals (RSA) (Pty) Ltd. ("PTM RSA") (and in turn PTM RSA's wholly-owned subsidiary Wesplats Holdings (Proprietary) Limited ("Wesplats") and the 54.75% owned subsidiary Maseve Investments 11 (Pty) Ltd. ("Maseve"). PTM RSA holds mineral rights and conducts operations in the Republic of South Africa. Wesplats owns surface rights areas overlying and adjacent to mineral rights held by PTM RSA and on behalf of the Company. Maseve holds a 100% interest in Projects 1 and 3 of the former Western Bushveld Joint Venture ("WBJV"). All significant intercompany balances and transactions have been eliminated upon consolidation.

These unaudited interim consolidated financial statements do not include all the information and disclosures required by Canadian GAAP for annual consolidated financial statements. They have been prepared using the same accounting policies and methods of applications as the latest annual consolidated financial statements except for the adoption of Section 3064 as indicated in note 2(m). In the opinion of management, all adjustments of a normal recurring nature necessary for a fair presentation have been made. The results for interim periods are not necessarily indicative of results for the entire year. The information contained in these unaudited interim financial statements should be read in conjunction with the Company's latest audited consolidated financial statements for the year ended August 31, 2009.

(b) Short-term investments

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

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

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

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

(d) Cash and cash equivalents

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

(e) Reclamation and closure costs

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

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

(f) 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.

(g) Fixed assets

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

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

(h) Earnings (loss) per common share

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

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

(i) Measurement uncertainty

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

(j) Translation of foreign currencies

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

(k) Stock-based compensation

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

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

(l) Financial instruments

The Company's financial instruments are comprised primarily of cash and cash equivalents, amounts receivable, amounts due from project partners, performance bonds, and accounts payable and accrued liabilities.

Cash and cash equivalents are recognized at their fair value. The carrying value of all other financial instruments approximate their fair values due to their short-term maturity or their capacity of prompt liquidation.

(m) New accounting pronouncements

Section 3064, *Goodwill and Intangible Assets* , replaces Section 3062, *Goodwill and Other Intangible Assets* and Section 3450, *Research and Development Costs* . In February 2008, the CICA issued the new pronouncement establishing revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and startup costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. Section 3064 was adopted September 1, 2009, and doing so has had no effect.

In July 2009, the CICA approved amendments to Section 3862, *Financial Instruments – Disclosures.* The amendments require additional fair value disclosure for financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making fair value assessments. The amendments to Section 3862 apply for financial statements relating to fiscal years ending after September 30, 2009. The Company is assessing the impact of these amendments on its consolidated financial statements.

In January 2009, The CICA issued CICA Handbook Section 1582, Business Combinations, Section 1601, Consolidations, and Section 1602, Non-controlling Interests. These sections replace the former CICA Handbook Section 1581, Business Combinations and Section 1600, Consolidated Financial Statements and establish a new section for accounting for a non-controlling interest in a subsidiary. CICA Handbook Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

CICA Handbook Section 1601 establishes standards for the preparation of consolidated financial statements.

CICA Handbook Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination.

CICA Handbook Section 1601 and Section 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year.

All three sections must be adopted concurrently. The Company is currently evaluating the impact of adopting the sections.

3. AMOUNTS RECEIVABLE

	May 31, 2010	Aug. 31, 2009
Expenditure advances receivable	**$ 3,126**	$ 3,581
Due from related parties (Note 10 (d) and (e))	**68,699**	17,172
Goods and services tax recoverable	**72,565**	37,160
South African value added tax ("VAT") recoverable	**270,366**	272,973
Interest receivable	**900**	13,652
	$ 415,656	$ 344,538

4. AVAILABLE-FOR-SALE SECURITIES

During the period the Company sold all its marketable securities accounted for as available-for-sale at the previous year-end August 31, 2009.

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

On November 6, 2009 pursuant to an agreement between West Timmins Mining Inc. and Lake Shore Gold Corp., the Company exchanged its 800,001 shares in West Timmins Mining Inc. for common shares in Lake Shore Gold Corp. at a share exchange rate of 1 West Timmins share to each 0.73 share of Lake Shore Gold Corp. A gain of $2,100,080 was realized on the exchange of shares. In the second quarter of 2010 the Company sold its 584,000 shares of Lake Shore Gold Corp. realizing a further $44,080 gain on the sale of shares.

During the nine month period the Company sold 100,000 MAG Silver Corp. shares for a realized gain of $652,578.

MAG Silver Corp. and West Timmins Mining Inc. were related parties of the Company, as discussed in Note 10.

5. MINERAL PROPERTIES

	May 31, 2010	Aug. 31, 2009
	$	
Projects 1 & 3 (a)	**101,779,243**	-
Other mineral properties (b)	**6,324,495**	6,057,034
	$ 108,103,738	$ 6,057,034

a) Projects 1 & 3

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

The Company published a Feasibility Study for Project 1 of the WBJV in July 2008 and later an Updated Feasibility Study in October 2009. Based on the WBJV resource estimate contained in the July 2008 Feasibility Study, and under the terms of the original WBJV agreement, each party was allocated an equalization amount due or payable based upon their contribution of measured, indicated, and inferred ounces of combined platinum, palladium, rhodium and gold ("4E") from the contributed properties comprising the WBJV. Inferred ounces were credited at US$0.50 per ounce, indicated ounces at US$3.20 per ounce and measured ounces at US$6.20 per ounce. Ounces contributed to the WBJV by Anglo in 2007 from a 50% interest in Portion 11 of the Farm Frischgewaagd 96 JQ, a property in Project 2, received an equalization credit of US$0.62 per inferred ounce, US$10.37 per indicated ounce and US$39.55 per measured ounce. On April 22, 2010 the Company paid its equalization amount due to Anglo in the amount of $ 24.83 million (R 186.26 million).

Also on April 22, 2010, the partners of the WBJV completed a transaction first announced September 2, 2008 whereby the WBJV was dissolved with the following outcomes:

- The Company and Wesizwe transferred a collective 100% interest in Projects 1 and 3 into new operating company Maseve Investments 11 (Pty) Ltd in exchange for shares of Maseve. Subsequent to this transaction, the Company owned 37% of Maseve.
- The Company sold its 18.5% interest in Project 2 to Wesizwe in exchange for an additional 17.25% interest in Maseve.
- Anglo became a shareholder of Wesizwe Platinum Limited.
- The Company holds 54.75% of Maseve with a right to subscribe for a further 19.25% interest for Rand 408.6 million (approx. $55.67 million) to bring its holdings to 74%, with Wesizwe holding the remaining interest.

Any additional subscriptions' the Company makes in shares of Maseve will be held in escrow to be applied towards Wesizwe's capital requirements for Projects 1 and 3. The subscription into Maseve is due by January 22, 2011. The Company may make partial subscriptions.

The sale of the Company's 18.5% interest in Project 2 was accounted for as an arm's length transaction at a fair market value of $65.42 million on April 22, 2010, versus an historic cost of $19.80 million, for a gain of $45.62 million. The transfer of the Company's 37% interest in Projects 1 and 3 into Maseve was accounted for as a reorganization of existing business and was transferred into Maseve at book cost. The April 22, 2010 transactions qualified for relief from capital gains tax in accordance with South African tax law.

The Company consolidated the financial statements of Maseve from the effective date of the reorganization.

b) Other mineral properties

Nine month period ended May 31, 2010

	South Africa							
	Tweespalk	War Springs	Other	LDI River	Shelby Lake	South Legris	Other	Total
Acquisition costs of mineral rights								
Balance, beginning of year	$ 59,995	$ 144,498	$ 3,321	$ 598,571	$ 313,864	$ 60,000	$ -	$ 1,180,249
Incurred during period	20,880	17,295	13,176	-	-	-	31,968	83,319
Balance, end of period	$ 80,875	$ 161,793	$ 16,497	$ 598,571	$ 313,864	$ 60,000	$ 31,968	$ 1,263,568
Deferred exploration costs								
Assays and geochemical	$ -	$ 118,717	$ 36,814	$ -	$ -	$ -	$ -	$ 155,531
Drilling	-	687,793	-	-	-	-	-	687,793
Geological	990	162,207	307,108	2,800	8,231	8,231	124,737	614,304
Maps, fees and licenses	-	-	-	-	-	-	-	-
Site administration	-	96,136	16,107	-	-	-	-	112,243
Travel	-	60,172	32,377	-	-	-	-	92,549
	990	1,125,025	392,406	2,800	8,231	8,231	124,737	1,662,420
Balance, beginning of year	892,135	2,271,260	632,011	363,755	563,687	153,937	-	4,876,785
Recoveries	-	(1,125,025)	(353,253)	-	-	-	-	(1,478,278)
Balance, end of period	$ 893,125	$ 2,271,260	$ 671,164	$ 366,555	$ 571,918	$ 162,168	$ 124,737	$ 5,060,927
Total Other Mineral Properties	$ 974,000	$ 2,433,053	$ 687,661	$ 965,126	$ 885,782	$ 222,168	$ 156,705	$ 6,324,495

Three month period ended May 31, 2010

	South Africa							
	Tweespalk	War Springs	Other	LDI River	Shelby Lake	South Legris	Other	Total
Acquisition costs of mineral rights								
Balance, beginning of period	$ 77,415	$ 157,932	$ 15,953	$ 598,571	$ 313,864	$ 60,000	$ -	$ 1,223,735
Incurred during period	3,460	3,861	544	-	-	-	31,968	39,833
Balance, end of period	$ 80,875	$ 161,793	$ 16,497	$ 598,571	$ 313,864	$ 60,000	$ 31,968	$ 1,263,568
Deferred exploration costs								
Assays and geochemical	$ -	$ 27,451	$ 36,814	$ -	$ -	$ -	$ -	$ 64,265
Drilling	-	168,750	-	-	-	-	-	168,750
Geological	-	24,411	37,901	800	800	799	124,737	189,448
Maps, fees and licenses	-	-	-	-	-	-	-	-
Site administration	-	33,182	14,489	-	-	-	-	47,671
Travel	-	-	24,332	-	-	-	-	24,332
	-	253,794	113,536	800	800	799	124,737	494,466
Balance, beginning of period	893,125	2,271,260	642,610	365,755	571,118	161,369	-	4,905,237
Recoveries	-	(253,794)	(84,982)	-	-	-	-	(338,776)
Balance, end of period	$ 893,125	$ 2,271,260	$ 671,164	$ 366,555	$ 571,918	$ 162,168	$ 124,737	$ 5,060,927
Total Other Mineral Properties	$ 974,000	$ 2,433,053	$ 687,661	$ 965,126	$ 885,782	$ 222,168	$ 156,705	$ 6,324,495

(1) Republic of South Africa

(i) War Springs and Tweespalk

On June 3, 2002, the Company acquired an option to earn a 100% interest in the 2,396 hectare War Springs property and the 2,177 hectare Tweespalk property both located in the Northern Limb or Platreef area of the Bushveld Complex north of Johannesburg. The Company now holds New Order prospecting permits on 100% of this territory. Acquisition and exploration costs on these properties to May 31, 2010 total $3,407,053.

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

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

On March 5, 2009 the Company announced an agreement with the Japan Oil, Gas and Metals National Corporation ("JOGMEC"), an incorporated administrative institution of the Government of Japan, whereby they may earn up to a 35% interest in the Company's rights to the War Springs project for an optional work commitment of US$10 million over 5 years. Total expenditures incurred by JOGMEC to May 31, 2010 amounted to approximately $1,920,951. An amount of $59,187 was due from JOGMEC at period end.

(ii) Other

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

In October 2009 the Company entered an agreement with JOGMEC whereby they may earn up to a 37% interest in the Waterberg project for an optional work commitment of US$3.2 million over 4 years. Total expenditures incurred by JOGMEC to May 31, 2010 amounted to approximately $353,253. An amount of $40,252 was due from JOGMEC at period end.

(2) Ontario, Canada

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

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

(ii) South Legris

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

(iii) Shelby Lake

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

(iv) Other

The Company has staked other properties in the Lac des Isle camp and has paid $31,968 for staking these claims.

(3) Title to mineral properties

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

6. FIXED ASSETS

(a) Equipment, Leaseholds and Vehicles

	May 31, 2010		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment and software	**510,846**	**375,753**	**$ 135,093**
Leasehold improvements	**38,641**	**30,694**	**7,947**
Office furniture and equipment	**265,718**	**131,134**	**134,584**
Vehicles	**82,485**	**28,931**	**53,554**
	897,690	**566,512**	**$ 331,178**

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

(b) Surface Rights

In 2004 the Company acquired surface and mineral rights to 365.64 hectares of the farm Elandsfontein 102 JQ in exchange for total payments of approximately $1.4 million. The benefit of these rights became part of the WBJV under the original 2004 agreement. The Elandsfontein mineral titles were transferred to project operating company Maseve on April 22, 2010 while the surface rights, valued at half of the original acquisition cost, remain under title to the Company and a 45.25% credit of approximately $316,750 was applied to amounts due to/from Wesizwe in recognition of their attributable portion of the surface rights.

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

(c) Rock Winders

During 2008 the Company acquired two rock winders at a cost of R 16.6 million (approx. $2,269,220) on behalf of the WBJV for use on a possible shaft facility for Project 1 of the WBJV. Later designs excluded the use of winders and these winders have been held for sale. They remain under title to the Company. On April 22, 2010 the Company applied a 45.25% credit for $1,026,822 to the amount due to/from Wesizwe in recognition of their attributable share of the winders. Subsequent to period end the Company entered into a sale agreement whereby one winder will be sold for US $1.28 million (approx. R 9.6 million) and a deposit of 50% was received on June 23, 2010.

7. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value

(b) Issued and outstanding

At May 31, 2010 there were 93,927,292 shares outstanding.

During the period ended May 31, 2010:

(i) 1,111,625 stock options were exercised for proceeds of $1,114,824.

During the year ended August 31, 2009:

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

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

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

(c) Incentive stock options

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

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

Exercise Price	Number Outstanding at May 31, 2010	Weighted Average Remaining Contractual Life (Years)	Number Exercisable at May 31, 2010
1.05	37,500	0.17	37,500
1.40	1,379,000	4.20	1,379,000
1.50	9,500	0.61	9,500
1.60	1,492,000	3.38	1,492,000
1.85	175,000	1.23	175,000
1.95	50,000	3.68	50,000
2.27	10,000	3.69	10,000
2.57	885,000	1.63	885,000
4.15	150,000	2.40	150,000
4.40	850,000	2.40	850,000
	5,038,000	3.00	5,038,000

The weighted average exercise price of the exercisable options at period end was $2.27.

	Number of Shares	Weighted Average Exercise Price
Options outstanding at August 31, 2008	3,857,875	2.56
Granted	3,279,000	1.52
Exercised	(196,650)	1.43
Forfeited	(790,600)	2.54
Options outstanding at August 31, 2009	6,149,625	$ 2.04
Granted	-	-
Exercised	(1,111,625)	1.00
Forfeited	-	-
Options outstanding at May 31, 2010	5,038,000	$ 2.27

During the period ended May 31, 2010 the Company granted no stock options (May 31, 2009 – 1,887,000). The Company has recorded $164,895 ($137,600 expensed and $27,295 capitalized to the WBJV, not including gross up FIT liability of $10,900 (May 31, 2009 - $102,360)) of compensation expense relating to stock options granted or vested in this period (May 31, 2009 - $1,654,486 ($1,394,986 expensed and $259,500 capitalized to the WBJV)). Cash received from the exercise of stock options during the period ended May 31, 2010 totalled $1,114,824 (May 31, 2009 - $281,640).

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

	May 31, 2010	May 31, 2009
Risk-free interest rate	**N/A**	2.8
Expected life of options	**N/A**	3.21
Annualized volatility	**N/A**	72.33
Dividend rate	**N/A**	0.00%

(d) Share purchase warrants

During the year ended August 31, 2009, 12,537,150 purchase warrants were issued at $1.75 as a part of the placement on June 16, 2009 as described above. These warrants have an expiry date of December 16, 2010. None of the warrants have been exercised. There are no other warrants outstanding.

8. CAPITAL RISK MANAGEMENT

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

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

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

As at May 31, 2010, the Company does not have any long-term debt and is not subject to any externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

(a) Credit risk

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

(i) Trade credit risk

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

(ii) Cash and cash equivalents

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

(iii) *Due from joint venture partners*

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

(b) Liquidity risk

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

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

(c) Currency risk

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

The Company's net loss and other comprehensive loss are affected by changes in the exchange rate between its operating currencies and the Canadian dollar. At May 31, 2010, based on this exposure a 10% change in the Canadian dollar versus Rand foreign exchange rate would give rise to a change in the loss for the nine month period presented of approximately $239,535.

(d) Interest rate risk

The Company's interest revenue earned on cash and cash equivalents and on short term investments is exposed to interest rate risk. At May 31, 2010, based on this exposure a 1% change in the average interest rate would give rise to an increase/decrease in the loss for the period of approximately $47,824.

10. RELATED PARTY TRANSACTIONS

Transactions with related parties are as follows:

(a) During the period, $612,848 (May 31, 2009 - $294,724) was paid to directors for salary, consulting, bonus and Director's fees. At May 31, 2010, $22,757 was included in accounts payable (2009 - $8,099).

(b) The Company received $64,347 (May 31, 2009 - $102,131) during the period from MAG Silver Corp. ("MAG"), a company with three directors in common. Amounts receivable at the end of the period include an amount of $Nil (2009 - $6,803) due from MAG. MAG terminated its service agreement with the Company on December 31, 2009.

(c) During the period the Company accrued or received payments of $8,000 (May 31, 2009 – $32,000) from West Timmins Mining Inc. ("WTM"), a company that had three directors in common and an officer in common, for administrative services. Amounts receivable at the end of the period includes an amount of $Nil (2009 - $12,072 due from WTM). This agreement was terminated at December 15, 2009 after the amalgamation by plan of arrangement between Lakeshore Gold Corp. and WTM in November 2009.

(d) During the period the Company accrued or received payments of $21,250 (May 31, 2009 - $Nil) from West Kirkland Mining Inc. ("WKM"), a company with three directors in common, for administrative services. Amounts receivable at the end of the period includes an amount of $35,490 (2009 - $Nil due from WKM).

(e) During the period the Company accrued or received payments of $25,500 (May 31, 2009 - $Nil) from Nextraction Energy Corp. ("NE"), a company with three directors in common, for administrative services. Amounts receivable at the end of the period includes an amount of $33,209 (2009 - $Nil due from NE).

(f) The Company entered into an office lease agreement with Anthem Works Ltd. ("Anthem"), a company with a director in common in 2005. During the period ended May 31, 2010 the Company accrued or paid Anthem $65,870 under the office lease agreement (2009 - $65,376).

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

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

11. CONTINGENCIES AND COMMITMENTS

The Company's remaining minimum payments under its office and equipment lease agreements in Canada and South Africa, which it has entered into for the years ending on August 31, are as follows:

August 31, 2010	$ 36,680
August 31, 2011	10,162
August 31, 2012	1,694
	$ 48,536

12. SUPPLEMENTARY CASH FLOW INFORMATION

Net change in non-cash working capital

	Three months Ended May 31, 2010	Three months Ended May 31, 2009	Nine months Ended May 31, 2010	Nine months Ended May 31, 2009
Amounts receivable	$ (82,945)	$ 52,301	$ 53,925	$ (36,192)
Prepaid expenses and other	24,689	(267,269)	(21,237)	(201,771)
Accounts payable	(77,657)	162,307	334,596	(63,067)
	$ (135,913)	$ (52,661)	$ 367,284	$ (301,030)

13. SEGMENTED INFORMATION

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

Assets

	May 31, 2010	August 31, 2009
Canada	**$ 7,017,567**	$ 37,143,004
South Africa	**113,157,776**	29,927,793
	$ 120,175,343	$ 67,070,797

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

Results of Operations

	Three Months Ended May 31, 2010	Three Months Ended May 31, 2009	Nine Months Ended May 31, 2010	Nine Months Ended May 31, 2009
Canada	$ (1,142,283)	$ (1,112,999)	$ (600,933)	$ (4,055,948)
South Africa	44,226,231	(365,808)	43,301,387	(1,188,948)
	$ 43,083,948	$ (1,478,807)	$ 42,700,454	$ (5,244,896)

Platinum Group Metals Ltd.
(Exploration and Development Stage Company)
Supplementary Information and MD&A
For the quarter ended May 31, 2010

Dated: July 15, 2010

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

NOTE REGARDING FORWARD -LOOKING STATEMENTS:

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

NOTE TO U.S. INVESTORS REGARDING RESOURCE ESTIMATES:

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

Management Discussion and Analysis

1. DESCRIPTION OF BUSINESS

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

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

This management discussion and analysis ("MD&A") of the Company focuses on the financial condition and results of operations of the Company for the period ended May 31, 2010. It is prepared as of July 14, 2010 and should be read in conjunction with the unaudited consolidated financial statements of the Company for the quarter ended May 31, 2010 together with the notes thereto.

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

2. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

a) Results of Operations

Any reference to "period" refers to the nine months ended May 31, 2010.

At May 31, 2010 the Company had cash and cash equivalents of $4.78 million as compared to $2.87 million on May 31, 2009. At May 31, 2010 the Company owed $212,822 to Wesizwe Platinum Limited ("Wesizwe") for past expenditures by Wesizwe on Project 2 of the WBJV, net of amounts due to/from Wesizwe for expenditures and items related to Projects 1 and 3. Accounts payable at period end totaled $1.20 million (2009 - $885,807); of this amount approximately $350,000 was payable against legal costs, $253,000 was due for advisory and consulting expenses and $43,000 was payable for accounting, tax consulting and audit review fees. There was also approximately $300,000 payable for exploration expenses with approximately $100,000 in turn being receivable from joint venture partners and the balance being related to overhead costs. The balance of accounts payable related to overhead and administrative costs.

During the period the Company had net earnings of $42.70 million (2009 – ($5.24 million) net loss). The gain is primarily due to the sale of the Company's 18.5% interest in Project 2 of the WBJV to Wesizwe on April 22, 2010, realizing an estimated fair market value at that date of $65.42 million versus historical costs of $19.80 million, for a gain on sale of $45.62 million. This transaction qualified for relief from capital gains tax in accordance with South African tax law. The Company also realized a gain of $2.80 million on sale of marketable securities during the period.

Before a non-cash charge for stock based compensation of $137,600 (2009 - $1.39 million), and not including net interest earned of $432,790 (2009 - $98,233), general and administrative expenses totaled $5.74 million (2009 - $4.06 million). The increase in general and administrative expenses over the comparative period is explained for the most part by a foreign exchange loss of $906,749 compared to a foreign exchange gain of $259,540 in 2009. Professional fees totalled $1.21 million for the period (2009 - $726,768). This amount includes $984,186 for legal fees, $117,186 for accounting advisory fees and $107,229 for audit fees. All of these costs are higher than in the comparative period as the Company has been conducting negotiations, due diligence and drafting of agreements related to strategic options. Management and Consulting fees of $1.09 million (2009 - $769,610) were higher in the current period in part due to $184,881 incurred for independent technical due diligence and $123,340 in additional director and senior management fees. The amount of salaries and benefits expensed in the period remained constant $1.33 million (2009 - $1.28 million). Offsetting some of these increased expenses was a decrease of $145,721 in shareholder relations expenses ($140,550 vs. $286,271 in 2009); and a decrease of $151,334 in travel expenses ($329,756 vs. $481,090 in 2009).

Apart from the realized gains described above and net interest of $432,790 (2009 - $98,233) earned on cash deposits during the period, the Company had no significant revenues. In October 2008 the Company closed a non-brokered private placement for net cash proceeds of $7.31 million, and in June 2009 the Company closed a brokered offering for net cash proceeds of $32.16 million. Proceeds of the June 2009 offering were primarily used to pay Anglo Platinum Limited ("Anglo") an equalization amount on April 22, 2010 of $24.83 million for the ounces contributed by Anglo to the WBJV. The remainder of the net proceeds are being used for continued exploration and development work and for general working capital purposes.

Total global exploration, engineering and development expenditures for the Company's account, including the Company's share of WBJV expenditures during the period, totaled $1.01 million (2009 - $1.11 million). Of this amount $828,552 was for the WBJV (2009 - $894,312) and $184,142 was for other exploration (2009 - $217,038). Total WBJV expenditures during the period by all WBJV partners amounted to $2.24 million (2009 - $1.35 million). After April 22, 2010 the WBJV was dissolved and expenditures related to Projects 1 and 2 were conducted by our 54.75% owned operating subsidiary Maseve (See details below).

Exploration expenditures by JOGMEC for the War Springs and Waterberg projects of $1.48 million during the period are netted against payments made by JOGMEC to the Company and therefore are not included in the total reported above.

On April 22, 2010 the Company paid an equalization amount due to Anglo of $24.83 million (R 186.26 million) as required under the terms of the original WBJV Agreement. On the same date the Company then completed a transaction originally announced September 2, 2008 with Anglo and Wesizwe whereby the WBJV was dissolved and the Company sold its 18.5% effective interest in Project 2 to Wesizwe and transferred its 37% interest in Projects 1 and 3 into project operating company Maseve Investments 11 (Pty) Ltd. ("Maseve"). At the same moment Wesizwe acquired Anglo's 37% interest in the WBJV, retained Anglo's effective 18.5% interest in Project 2, and then transferred 63% of Projects 1 and 3 into Maseve, the result being that Wesizwe retained 100% of Project 2 and that Maseve obtained 100% of Projects 1 and 3. In exchange for its effective 18.5% of Project 2 the Company received a 17.75% interest in Maseve. The Company also received a 37% interest in exchange for its share of Projects 1 and 3, bringing its holdings in Maseve to 54.75%. Wesizwe received a 45.25 % initial interest in Maseve. The Company has a right to acquire a further 19.25% interest in Maseve for subscriptions in the amount of R 408.6 million (approx $55.67 million), thereby allowing the Company to increase its shareholding in Maseve to 74%. Any subscription funds will be held in escrow to be applied towards Wesizwe's capital requirements for Projects 1 and 3. The cash subscriptions into Maseve are due by January 22, 2011 or the Company will lose the right to increase its interest to 74%. The Company may make partial subscriptions if it so chooses.

The sale of the Company's 18.5% interest in Project 2 was accounted for as an arm's length transaction at fair market value on April 22, 2010. The transfer of the Company's 37% interest in Projects 1 and 3 was accounted for as a continuity of interests and was transferred into Maseve at book cost.

Activities for Projects 1 and 3 during the period included research and data review, prospecting, mapping, detailed engineering, drilling of project areas, geophysical studies, geotechnical work, metallurgical studies and mine plan and scheduling work. The Company has paid the South African power utility Company (ESKOM) deposits against their work to design infrastructure for the delivery of construction power and commercial production power to the property.

An Updated Feasibility Study and revised resource estimation for the Project 1 area of the WBJV was announced October 8, 2009 entitled "Technical Report (Updated Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)" and was filed by the Company on www.sedar.com on November 25, 2009. Results of the Updated Feasibility Study estimated 275,000 ounces of 4E (platinum, palladium, rhodium and gold) and show a 23.54% Internal Rate of Return (pre-tax) Base Case, using 3 year trailing metal prices to September 2009, calculated on the monthly averages including US$1,343 per ounce for platinum. The Updated Feasibility Study model does not include escalation due to inflation of costs or metal prices.

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

The Company maintains three projects in South Africa on the North Limb of the Bushveld Complex; Tweespalk, Waterberg and War Springs. The Tweespalk property is currently being reviewed. During 2008 the Company conducted soil and geological surveys on the War Springs project. On March 17, 2008 the Company published a revised and updated resource calculation for the War Springs project based on drilling and exploration work conducted in the previous three years. (See Item 2d. "Exploration Programs and Expenditures" below).

On March 5, 2009 the Company announced an agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC"), an incorporated administrative institution of the Government of Japan, whereby they may earn up to a 35% interest in the Company's rights to the War Springs project for an optional work commitment of US$10 million over 5 years. The first and second year JOGMEC option commitments of US$1.5 million have been completed with approximately 12,397 metres drilled to March 31, 2010. Total expenditures incurred by JOGMEC to May 31, 2010 amounted to approximately $1.92 million. Further work programs for War Springs to be funded by JOGMEC in 2010 have been approved and are currently being planned.

The Company also entered an agreement in October 2009 with JOGMEC whereby they may earn up to a 37% interest in the Waterberg project for an optional work commitment of US$3.2 million over 4 years. Total expenditures incurred by JOGMEC on this project to May 31, 2010 amounted to approximately $353,000. Exploration work consisted of geophysical surveys, ground mapping and compilation of existing data. Further work has been approved by JOGMEC.

The Company conducted work programs on its Canadian projects during the years ended August 31, 2008 and 2009 and in the period ended May 31, 2010. A 1,125 metre drill program was completed on the Company's Lac Des Iles project in the first quarter of 2008 and a further 978 metres was completed in February of 2009. In the period ended May 31, 2010 the Company incurred $143,999 in geophysical and other ground based work in the Thunder Bay area. The Company maintains a large mineral rights position in the Lac des Iles area north of Thunder Bay as a strategic holding against potentially increasing prices for palladium and platinum. Encouraging exploration results for palladium, platinum, nickel and copper continue to be returned and the Company plans to invest further in this area in the future.

For more information about the former WBJV, the Company's Projects 1 and 3 and the Company's other mineral properties, please refer to Notes 5. of the Company's May 31, 2010 unaudited financial statements and below.

The Company's complement of staff, consultants and casual workers consists of approximately 30 individuals at present. Office space and support services in Canada and South Africa are being maintained at similar levels in 2010 as compared to 2009.

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

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

	Year ended Aug 31, 2009	Year ended Aug. 31, 2008	Year ended Aug. 31, 2007
Interest income	$139,548 (1)	$243,339	$434,949
Net Loss	($6,963,384) (2)	($5,086,589)	($6,758,123)
Basic and diluted Loss per Share	($0.10) (3)	($0.08)	($0.12)
Total Assets	$67,070,797 (4)	$32,492,583	$36,764,203
Long Term Debt	Nil	Nil	Nil
Dividends	Nil	Nil	Nil

Explanatory Notes:

(1) The Company's only significant source of revenue during the years ending August 31, 2007 to 2009 was interest revenue from interest bearing accounts held by the Company. The amount of interest earned correlates directly to the interest rate at the time and the amount of cash on hand during the year referenced.

(2) The Company's net loss during the year ending August 31, 2009 was higher than in 2008 and 2007 due to several factors. Compensation expense totalled $1,615,361 in 2009 as opposed to $1,345,722 in 2008 and $1,400,258 in 2007. Another factor is the stock compensation expense which totalled $2,100,736 in 2009 as opposed to $580,128 in 2008 and $1,487,661 in 2007. Another factor is the write off of deferred mineral property costs of $Nil in 2009, $Nil in 2008, and $1,323,222 in 2007. If one removes the effect of these factors from each fiscal year the recorded annual loss is $3,247,287 for 2009, and $3,160,739 for 2008 and $2,546,982 for 2007. The remaining general and administrative costs are higher in 2009 than in 2008 and 2007 except for travel expenses, news releases, print and mail out, and filing and transfer agent fees. The Company also had a $360,173 increase in foreign exchange gains when comparing 2009 to 2008. The Company had a foreign exchange loss of $83,292 in 2007, a $37,340 loss in 2008 to a $322,833 gain in 2009.

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

(4) Total assets had been increasing year-on-year primarily as a result of the Company's cash balance and continued investment in mineral properties funded by completion of private placement equity financings. At August 31, 2009 the Company held $32,965,685 (2008 -$1,779,871; 2007 - $14,669,067) in cash and cash equivalents. The Company's cash balance at August 31, 2008 was much lower than 2007 and 2009 as it did not complete any equity financings during 2008.

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

Quarter Ending	Interest & Other Income (1)	Net Gain (Loss) (2)	Net Basic Earnings (Loss) per Share
May 31, 2010	$220,145	$43,083,948	$0.46
February 28, 2010	$177,201	($975,747)	($0.01)
November 30, 2009	$35,444	$592,253	$0.01
August 31, 2009	$41,315	($2,036,467)	($0.02)
May 31, 2009	$73,959	($1,478,807)	($0.02)
February 28, 2009	$24,172	($1,665,682)	($0.03)
November 30, 2008	$102	($2,100,438)	($0.03)
August 31, 2008	$22,396	($1,143,001)	($0.02)

Explanatory Notes:

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

(2) Net gains (losses) by quarter are often materially affected by the timing and recognition of large non-cash income, expenses or write-offs. The quarter ended May 31, 2010 included a non-cash realized gain for the sale of the Company's 18.5% interest in Project 2 of the WBJV in the amount of $45,619,744. In the quarter ended February 28, 2010 there were no non-cash income, expenses or write-offs but for example, the quarter ended November 30, 2009 includes a non-cash charge for stock based compensation in the amount of $137,600, and a non-cash gain realized on marketable securities of $2,100,080. The quarter ended August 31, 2009 includes a non-cash charge for stock based compensation in the amount of $705,750, the quarter ended May 31, 2009 includes a non-cash charge for stock based compensation in the amount of $219,535, the quarter ended February 28, 2009 includes a non-cash charge for stock based compensation in the amount of $373,042, the quarter ended November 30, 2008 includes a non-cash charge for stock based compensation in the amount of $802,409, the quarter ended August 31, 2008 includes a non-cash charge for stock based compensation in the amount of $Nil. After adjusting these non-cash charges, the results for the quarters listed show a more consistent trend, with a general growth in expenses over time that is consistent with the Company's increased exploration and corporate activities over the past two years as described above at "Discussion of Operations and Financial Condition".

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

b) Trend Information

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

c) Risk Factors

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

General

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

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

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

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

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

Economic and Political instability may affect the Company's business

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

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

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

The Company may be adversely affected by foreign currency fluctuations. The Company is primarily funded through equity investments into the Company denominated in Canadian Dollars. In the normal course of business the Company enters into transactions for the purchase of supplies and services denominated in South African Rand. The Company also has cash and certain liabilities denominated in South African Rand. Several of the Company's options to acquire properties or surface rights in the Republic of South Africa may result in payments by the Company denominated in South African Rand or in U.S. Dollars. Exploration, development and administrative costs to be funded by the Company in South Africa will also be denominated in South African Rand. Fluctuations in the exchange rates between the Canadian Dollar and the South African Rand or U.S. Dollar may have an adverse or positive affect on the Company. In the past year to July 14, 2010 the South African Rand has remained constant to the Canadian dollar and the Canadian dollar has appreciated to the American dollar by approximately 10.23%.

The Company's properties are subject to title risks

The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. These defects could adversely affect the Company's title to such properties or delay or increase the cost of the development of such properties. In addition, the Company's properties may be subject to aboriginal or other historical rights that may be claimed on Crown properties or other types of tenure with respect to which mineral rights have been conferred. The Company is not aware of any aboriginal land claims having been asserted or any legal actions relating to native issues having been instituted with respect to any of the mineral properties in which the Company has an interest. The Company is aware of the mutual benefits afforded by co-operative relationships with indigenous people in conducting exploration activity and is supportive of measures established to achieve such co-operation.

Environmental risk

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

The mineral exploration industry is extremely competitive

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

Metal prices affect the success of the Company's business

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

d) Exploration Programs and Expenditures *General*

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

Mineral property acquisition and capital costs deferred during the period totaled $84,548 (2009 - $67,094). Of this amount acquisition costs relating to the Company's pro-rata share of the WBJV amounted to $1,229 (2009 - $49,536). The balance of $83,319 (2009 - $16,941) was spent on other mineral property costs in Canada and South Africa. Exploration, engineering and development costs incurred globally in the period for the Company's interests totaled $1,012,694 (2009 - $1,111,350). Of that amount $143,999 (2009 - $136,462) was incurred on the Company's Canadian properties and $868,695 (2009 - $974,888) was incurred on the Company's South African properties. Of the South African amount, $828,552 was for the Company's share of WBJV expenditures (2009 - $894,312). The total amount (100%) of expenditures by all Joint Venture partners for the period for the WBJV came to $2,239,330 which was higher than the 100% amount spent for the same period last year (2009 - $1,304,629).

During the period there were no write-offs in deferred costs relating to South African or Canadian projects, and there were no write-offs during the prior period. For more information on mineral properties, see Note 5 of the Company's May 31, 2010 unaudited consolidated financial statements.

Western Bushveld Joint Venture

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

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

The Company published a Feasibility Study for Project 1 of the WBJV in July 2008 and later an Updated Feasibility Study in October 2009. Based on the WBJV resource estimate contained in the July 2008 Feasibility Study, and under the terms of the original WBJV agreement, each party was allocated an equalization amount due or payable based upon their contribution of measured, indicated, and inferred ounces of combined platinum, palladium, rhodium and gold ("4E") from the contributed properties comprising the WBJV. Inferred ounces were credited at US$0.50 per ounce, indicated ounces at US$3.20 per ounce and measured ounces at US$6.20 per ounce. Ounces contributed to the WBJV by Anglo in 2007 from a 50% interest in Portion 11 of the Farm Frischgewaagd 96 JQ, a property in Project 2, received an equalization credit of US$0.62 per inferred ounce, US$10.37 per indicated ounce and US$39.55 per measured ounce. On April 22, 2010 the Company paid its equalization amount due to Anglo in the amount of $24.83 million (R 186.26 million).

On April 22, 2010 the Company also completed a transaction originally announced September 2, 2008 with Anglo and Wesizwe whereby the WBJV was dissolved and the Company sold its 18.5% effective interest in Project 2 to Wesizwe and transferred its 37% interest in Projects 1 and 3 into project operating company Maseve Investments 11 (Pty) Ltd. ("Maseve") for a 37% interest in Maseve. At the same moment Wesizwe acquired Anglo's 37% interest in the WBJV, retained Anglo's effective 18.5% interest in Project 2, and then transferred 63% of Projects 1 and 3 into Maseve, the result being that Wesizwe retained 100% of Project 2 and that Maseve obtained 100% of Projects 1 and 3. In exchange for its effective 18.5% of Project 2 the Company received an additional 17.75% interest in Maseve, bringing its holdings in Maseve to 54.75%. The Company also received a right to acquire a further 19.25% interest in Maseve for subscriptions in the amount of R 408 million (approx. $55.67 million), thereby allowing the Company to increase its shareholding in Maseve to 74%. Any subscription funds will be held in escrow to be applied towards Wesizwe's capital requirements for Projects 1 and 3. The cash subscriptions into Maseve are due by January 22, 2011 or the Company will lose the right to increase its interest to 74%. The Company may make partial subscriptions if it so chooses.

At April 22, 2010 the Company had a total investment in its 37% share of the WBJV of approximately $43.4 million (May 31, 2009 - $19.69 million). Of this amount costs associated specifically to Project 2 totaled $23.0 million. The cost attributable to Project 2 is relatively high because of the high equalization costs associated with Portion 11 of the farm Frischgewaagd, as described above. Based on an estimated fair market value of $65.42 million for an 18.5% interest in Project 2, the Company has recorded a gain on the sale of its share of Project 2 in the amount of $45.62 million.

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

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

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

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

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

WBJV Project 1 – 100% Basis

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

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

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

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

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

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

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

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

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

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

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

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

Merensky

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

UG2

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

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

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

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

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

The updated Project 1 mine design involves the construction of a platinum mine and concentrator to produce approximately 275,000 ounces of combined platinum, palladium, rhodium and gold ("4E") in concentrate per year steady state for 9 years with a 22 year total underground mine life. The capital cost for the mine and concentrator complex were estimated at R3.55 billion (approximately $497 million at the time of writing) for peak funding and R4.76 billion (approximately $667 million at the time of writing) for life of mine funding. The current peak funding capital cost estimate is approximately R500 million (approximately $70 million) lower than the July 2007 estimate, primarily due to the reduction in capital costs resulting in a design change from 100% diesel self electrical generation capacity to a 25% stand by capacity as well as from improved mine development planning.

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

Project 1 Resource Calculation Detail

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

Project Area 3 – Mineral Resource Statement

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

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

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

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

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

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

Project 3 Resource Calculation Detail

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

Northern Limb, Bushveld - War Springs and Tweespalk Properties

On June 3, 2002, the Company acquired an option to earn a 100% interest in the 2,396 hectare War Springs property and the 2,177 hectare Tweespalk property both located in the Northern Limb or Platreef area of the Bushveld Complex north of Johannesburg. The Company now holds New Order prospecting permits on 100% of this territory. Acquisition and exploration costs on these properties net of recoveries to May 31, 2010 total $3.42 million (2009 - $3.36 million). The Company can settle the vendors' residual interests in these mineral rights at any time for US$690 per hectare. The Company pays annual prospecting fees to the vendors of US$3.25 per hectare. The vendors retain a 1% NSR Royalty on the properties, subject to the Company's right to purchase the NSR at any time for US$1.4 million.

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

On March 5, 2009 the Company announced an agreement with JOGMEC, an incorporated administrative institution of the Government of Japan, whereby they may earn up to a 35% interest in the Company's rights to the War Springs project for an optional work commitment of US$10 million over 5 years. The first and second year JOGMEC option commitments of US$1,500,000 has been completed with approximately 12,397 metres drilled to March 31, 2010. Total expenditures incurred by JOGMEC to May 31, 2010 amounted to approximately $1.92 million. Further work programs for the War Springs project in 2010 are currently being planned and funding in the amount of US $475,195 has been approved by JOGMEC for the next phase of work.

The Company has entered an agreement with JOGMEC whereby they may earn up to a 37% interest in the Company's rights to the Waterberg project for an optional work commitment of US$3.2 million over 4 years. Total expenditures incurred by JOGMEC to May 31, 2010 amounted to approximately $392,471 on the Waterberg project. Further work programs for the Waterberg project in 2010 are currently being planned and funding in the amount of US $445,894 has been approved by JOGMEC for the next phase of work.

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

100% Basis

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

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

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

Lac Des Iles Area Properties, Ontario

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

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

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

The Company has conducted work programs on its Lac Des Iles projects during 2008, 2009 and 2010. A 1,125 metre drill program was completed on the projects in the first quarter of 2008 and a further 978 metres was completed in February of 2009. In the period ended May 31, 2010 the Company incurred $143,999 of costs for geophysical and other ground based work on the Lac des Iles project area. Encouraging exploration results for palladium, platinum, nickel and copper continue to be returned and the Company plans to invest further in the project.

e) Administration Expenses

The Company maintains a corporate office in Canada and both a corporate and field office in South Africa. General and administrative expenses for the period totaled $5,735,029 (2009 - $4,063,134). The increase in general and administrative expenses over the comparative period is explained for the most part by a foreign exchange loss of $906,749 compared to a foreign exchange gain of $259,540 in 2009. Professional fees totalled $1.21 million for the period (2009 - $726,768). This amount includes $984,186 for legal fees, $117,186 for accounting advisory fees and $107,229 for audit fees. All of these costs are higher than in the comparative period as the Company has been conducting negotiations, due diligence and drafting of agreements related to strategic options. Management and Consulting fees of $1.09 million (2009 - $769,610) were higher in the current period in part due to $184,881 incurred for independent technical due diligence and $123,340 in additional director and senior management fees. The amount of salaries and benefits expensed in the period remained constant $1.33 million (2009 - $1.28 million). Offsetting some of these increased expenses was a decrease of $145,721 in shareholder relations expenses ($140,550 vs. $286,271 in 2009); and a decrease of $151,334 in travel expenses ($329,756 vs. $481,090 in 2009).

f) Related Party Transactions

Management, consulting fees and salaries incurred with directors and officers during the period amounted to $612,848 (2009 - $294,724). Of this amount, approximately $289,307 (2009 - $155,974) was paid as fees to the Company's President, and $243,542 (2009 - $138,750) was paid as salary for the Company's CFO. At May 31, 2010 there were $22,757 in fees (2009 - $8,099) owed and included in accounts payable.

Until early 2010 the Company provided services at market rates for day-to-day administration and accounting to MAG Silver Corp. ("MAG"), a company with three common directors. Fees received have been credited by the Company against its own administrative costs. The Company received service fees of $64,347 (2009 - $102,131) during the period from MAG. Since January 2010 the service fees the Company receives from MAG have been reduced or eliminated as MAG Silver is now handling its own administration.

During the period the Company accrued or received service fees of $8,000 (2009 – $32,000) from West Timmins Mining Inc. ("WTM"), a company which prior to being acquired by Lake Shore Gold Corp, had three common directors. These service fees were eliminated in 2010, since WTM was acquired by Lakeshore Gold. Corp. in November 2009.

During the period the Company provided services at market rates for day-to-day administration and accounting to West Kirkland Mining Inc. ("WKM"), a company with three common directors. Fees received have been credited by the Company against its own administrative costs. The Company received service fees of $21,250 (2009 - $Nil) during the period from WKM.

During the period the Company provided services at market rates for day-to-day administration and accounting to Nextraction Energy Corp. ("Ne"), a company with three common directors. Fees received have been credited by the Company against its own administrative costs. The Company received service fees of $25,500 (2009 - $Nil) during the period from Ne.

During the period ended August 31, 2005, the Company entered into an office lease agreement with Anthem Works Ltd. ("Anthem"), a company with a common director. During the period ended May 31, 2010 the Company accrued or paid Anthem $65,870 under the office lease agreement (2009 - $65,376). The space occupied approximates one third of 6,050 square feet in a first tier building located in downtown Vancouver, British Columbia. The rental rate was negotiated on an "arm's length basis".

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

g) Shareholder Relations' Expenses

Shareholder relations' expense during the period totaled $140,550 (2009 - $286,271). The decrease from the prior year is due to more normalized expenditures for the period, whereas in the previous year the volatile economic circumstances required greater effort and spending in this cost area. The Company manages its shareholder relations as an internal function and the Company actively seeks to raise its profile with both retail and institutional investors. From June 2005 to present Mr. Tony Mahalski of LM Associates in London, U.K., has also 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 $329,756 (2009 - $481,090). These activities relate to the supervision of ongoing operations in South Africa and Canada, new property investigations and meetings with potential and current institutional and sophisticated investors. Travel related to all of these activities was lower during the period than in the same period in 2009. Promotional expenses in the period amounted to $154,255 (2009 - $175,741) and these costs relate to design work, media relations, printed material, postage and trade show attendance and efforts were made to reduce such costs during the period.

i) Property Acquisition and Capital Expenses

Property acquisition expenditures and capital costs during the year totaled $84,548 (2009 - $67,094). These expenditures were incurred to acquire or maintain option rights to South African mineral properties.

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

During the year ended August 31, 2008 the Company purchased surface rights adjacent to the WBJV Project 1 deposit area measuring 216.27 hectares at a price of Rand 8.0 million (approx. $1.09 million). During the 2009 year the Company completed the purchase of surface rights directly over a portion of the WBJV Project 1 deposit area measuring 358.79 hectares for the price of Rand 15.07 million (approx. $2.07 million). The rights to these two properties are to the benefit of the Company only and are distinct from the 365.64 hectare Elandsfontein Farm originally purchased in 2004 for the benefit of the WBJV.

j) Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

3. CRITICAL ACCOUNTING ESTIMATES

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

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

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

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

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

For its 2005 fiscal year, The Company adopted CICA Handbook Section 3870 – Stock-Based Compensation and other Stock-Based Payments, which requires the fair value method of accounting for stock options. Under this method, the Company is required to recognize a charge to the income statement based on an option-pricing model based on certain assumptions. For the year ended August 31, 2009 the assumptions were as follows; no dividends were paid, a weighted average volatility of the Company's share price of 77.97%, a weighted average annual risk free rate of 2.59% and an expected life of 3.21 years. The resulting weighted average option pricing resulted in an expense for stock options in the year ended August 31, 2009 of $2,518,107. Of the $2,518,107 in cost calculated for August 31, 2009 an amount of $2,100,736 was expensed while $417,371 was capitalized to deferred mineral property exploration costs in the Company's WBJV interest. In the period ended May 31, 2010 no stock options were granted. Of the $164,894 in cost calculated for May 31, 2010 for options vested in the period, an amount of $137,600 was expensed while $27,294 was capitalized to deferred mineral property exploration costs, not including gross up FIT liability of $10,900.

4. SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are set out in Note 2 of its Financial Statements for the period ended May 31, 2010. There are several policies that are significant to the financial results of the Company.

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

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

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

5. RECENT ACCOUNTING PRONOUNCEMENTS

CICA Section 3064, *Goodwill and Intangible Assets* , replaces Section 3062, *Goodwill and Other Intangible Assets* and Section 3450, *Research and Development Costs* . In February 2008, the CICA issued the new pronouncement establishing revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and startup costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. Section 3064 was adopted September 1, 2009, and doing so has had no effect.

In July 2009, the CICA approved amendments to Section 3862, *Financial Instruments – Disclosures.* The amendments require additional fair value disclosure for financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making fair value assessments. The amendments to Section 3862 apply for financial statements relating to fiscal years ending after September 30, 2009. The Company is assessing the impact of these amendments on its consolidated financial statements.

In January 2009, The CICA issued CICA Handbook Section 1582, Business Combinations, Section 1601, Consolidations, and Section 1602, Non-controlling Interests. These sections replace the former CICA Handbook Section 1581, Business Combinations and Section 1600, Consolidated Financial Statements and establish a new section for accounting for a non-controlling interest in a subsidiary. CICA Handbook Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

CICA Handbook Section 1601 establishes standards for the preparation of consolidated financial statements.

CICA Handbook Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination.

CICA Handbook Section 1601 and Section 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year.

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

6. LIQUIDITY AND CAPITAL RESOURCES

During the period the Company issued a total of 1,111,625 (2009 – 5,167,120) common shares for net cash proceeds of $1,114,824 (2009 - $7,589,721). Cash proceeds are primarily spent on mineral property and surface right acquisitions, exploration and development as well as for general working capital purposes. The Company's primary source of capital has been from the sale of equity. At May 31, 2010 the Company had cash and cash equivalents on hand of $4,782,350 compared to $2,865,872 at May 31, 2009.

The Company receives lump sum cash advances at various times as laid out in agreed budgets from its joint venture partners to cover the costs of the WBJV and JOGMEC. The balance of cash outflows is made up of management and consulting fees and salaries of $2,422,793 (2009 - $2,054,233) and other general and administrative expenses of $3,312,235 (2009 - $2,008,901).

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

Payments by period in Canadian Dollars					
	Total	**< 1 Year**	**1 – 3 Years**	**3 – 5 Years**	**> 5 Years**
Optional Subscription into Maseve (1)	$55,668,468	$55,668,468	$0	$ 0	$0
Costs due Wesizwe Platinum (2)	$212,822	$212,822	$0	$0	$0
Optional Acquisition Payments (War Springs & Tweespalk) (3)	$3,250,000	$3,250,000	$0	$0	$0
Lease Obligations	$48,536	$36,680	$ 11,856	$0	$0
Totals	**$59,179,826**	**$59,167,970**	**$11,856**	**$ 0**	**$ 0**

Explanatory Notes:

(1) The optional Maseve subscription amount is denominated in Rand and is set at Rand 408.61 million. See above at item "2. Discussion of Operations and Financial Condition, a) Results of Operations" for details of the Maseve subscription amount.

(2) Upon the wind up of the WBJV on April 22, 2010 an amount of R 7.09 million was due from Wesizwe to the Company for their share of project costs. An amount was also due from Anglo for project costs accrued since August 15, 2008 of R 10.01 million and this amount was added to the amount due from Wesizwe pursuant to the agreements whereby the WBJV was wound up. At April 22, 2010 the Company recorded a credit to Wesizwe's account for R 7.51 million for their share of the book value of winders held for sale and for R 1.63 million for their share of Elandsfontein surface rights, both items being originally for the benefit of the WBJV. At April 22 the Company accrued an amount due and a further credit of R 9.72 million to Wesizwe's account representing PTM's estimated obligation to Wesizwe for past exploration costs on Project 2 pursuant to the agreements whereby the WBJV was wound up. After the above items are recorded the Company estimates a net amount of R 1.76 million ($212,822) due to Wesizwe.

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

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

7. OUTSTANDING SHARE DATA

The Company has an unlimited number of common shares authorized for issuance without par value. At May 31, 2010 and at July 14, 2010 there were 93,927,292 common shares outstanding, 5,038,000 incentive stock options outstanding and 12,537,150 common share purchase warrants outstanding. During the period ending May 31, 2010, the Company made no changes to the exercise price of outstanding options through cancellation and reissuance or otherwise.

8. DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings made pursuant to both U.S. Securities and Exchange Commission and Canadian Securities Administrators requirements are recorded, processed, summarized and reported in the manner specified by the relevant securities laws applicable to the Company. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Company operates in both Canada and the Republic of South Africa and work is ongoing to improve and modernize these controls and to ensure that they remain consistently applied in both jurisdictions. The Chief Executive Officer and the Chief Financial Officer have evaluated the Company's disclosure control procedures as of May 31, 2010 through inquiry, review, and testing, as well as by drawing upon their own relevant experience. The Company retained an independent third party specialist in 2009 to assist in the assessment of its disclosure control procedures. The Chief Executive Officer and the Chief Financial Officer have concluded that, as at May 31, 2010, the Company's disclosure control procedures were effective. Management is also developing and implementing a plan to address disclosure controls and procedures on a forward looking basis as the Company continues to grow.

The Company also maintains a system of internal controls over financial reporting designed under the supervision of the Company's Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. The Company retained an independent third party specialist in 2009 to assist in the assessment of its internal control procedures. The Board of Directors approves the financial statements and ensures that management discharges its financial responsibilities. The Board's review is accomplished principally through the audit committee, which is composed of independent non-executive directors.

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

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

During the year ended August 31, 2007, the Company affected changes in internal control over financial reporting that have materially affected, or may materially affect, the Company's internal control over financial reporting. The Company has (i) taken steps to improve segregation of duties and the authorization process through the addition of accounting personnel; and (ii) reviewed and refined internal control processes; and (iii) adopted and published new corporate governance policies; and (iv) reviewed and improved general controls over information technology; and (v) enhanced financial control over period close processes. During the period ended May 31, 2010 there were no significant changes with regard to internal control over financial reporting that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, and evaluating the effectiveness of the Company's internal control over financial reporting as at each fiscal year end. Management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of the Company's internal control over financial reporting as at May 31, 2010. Based on this evaluation, management has concluded that as at May 31, 2010, the Company's internal control over financial reporting was effective.

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

9. NYSE AMEX LLC CORPORATE GOVERNANCE

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

10. OTHER INFORMATION

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

11. SUBSEQUENT EVENTS

There were no material subsequent events at the date of this document.

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

12. LIST OF DIRECTORS AND OFFICERS

a) Directors:

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

b) Officers:

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

PLATINUM GROUP METALS

PLG:NYSE AMEX
PTM:TSX

Form 52-109F2
Certification of interim filings - full certificate

I, R. Michael Jones, President and CEO of Platinum Group Metals Ltd., certify the following:

1. ***Review:*** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of **Platinum Group Metals Ltd.** (the "issuer") for the interim period ended **May 31, 2010.**

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, 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. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, 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 of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, 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.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Internal Control – Integrated Framework (COSO Framework) prepared by the **Committee of Sponsoring Organizations of the Treadway Commission ("COSO")** .

5.2 ***ICFR – material weakness relating to design: N/A***

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on **March 1, 2010** and ended on **May 31, 2010** that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: **July 15, 2010**

//signed//

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R. Michael Jones
President and CEO

PLATINUM GROUP METALS

PLG:NYSE AMEX
PTM:TSX

Form 52-109F2
Certification of interim filings - full certificate

I, Frank R. Hallam, Chief Financial Officer of Platinum Group Metals Ltd., certify the following:

1. ***Review:*** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of **Platinum Group Metals Ltd.** (the "issuer") for the interim period ended **May 31, 2010.**

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, 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. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, 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 of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, 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.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Internal Control - Integrated Framework (COSO Framework) prepared by the **Committee of Sponsoring Organizations of the Treadway Commission ("COSO")** .

5.2 ***ICFR - material weakness relating to design: N/A***

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on **March 1, 2010** and ended on **May 31, 2010** that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: **July 15, 2010**

//signed//

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Frank R. Hallam
Director and CFO