PLATINUM GROUP METALS LTD

FORM 6-K
(Report of Foreign Issuer)

Filed 04/14/14 for the Period Ending 04/11/14

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Industry	Metal Mining
Sector	Basic Materials
Fiscal Year	08/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the period of: **April 11, 2014**

PLATINUM GROUP METALS LTD.
(SEC File No. 001-33562)

Suite 788 – 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): [ ]

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.

EXHIBIT INDEX

Exhibit	Description
99.1	Financial Statements for the period ended February 28, 2014
99.2	MD&A for the period ended February 28, 2014
99.3	Form 52-109F2 - CEO
99.4	Form 52-109F2 - CFO
99.5	News Release dated April 11, 2014

Date: **April 11, 2014**

"R. Michael Jones"

R. MICHAEL JONES
DIRECTOR & CEO

PLG:NYSE AMEX
PTM:TSX

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

Condensed Consolidated Interim Financial Statements (unaudited)
For the three and six months ended February 28, 2014

Filed: April 11, 2014

PLATINUM GROUP METALS LTD.
(An exploration and development stage company)
Condensed Consolidated Interim Statements of Financial Position
(Unaudited – in thousands of Canadian dollars)

		February 28, 2014		August 31, 2013
ASSETS				
Current				
Cash and cash equivalents	$	203,199	$	111,784
Amounts receivable (Note 3)		6,395		6,931
Prepaid expenses		342		490
Total current assets		**209,936**		**119,205**
Restricted cash (Note 4 (a(i)))		-		10,155
Other assets (Note 1)		3,011		2,023
Performance bonds (Note 4 (a(ii)))		4,760		3,433
Exploration and evaluation assets (Note 5)		27,300		22,447
Property, plant and equipment (Note 4)		298,625		232,717
Total assets	**$**	**543,632**	**$**	**389,980**
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	11,206	$	25,057
Total current liabilities		**11,206**		**25,057**
Deferred income taxes		11,936		11,908
Asset retirement obligation		1,470		1,407
Total liabilities		**24,612**		**38,372**
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		590,715		425,435
Contributed surplus		21,955		18,593
Accumulated other comprehensive loss		(60,458)		(61,481)
Deficit		(100,931)		(85,349)
Total shareholders' equity attributable to shareholders of Platinum Group Metals Ltd.		**451,281**		**297,198**
Non-controlling interest (Note 4 (a(i)))		67,739		54,410
Total shareholders' equity		**519,020**		**351,608**
Total liabilities and shareholders' equity	**$**	**543,632**	**$**	**389,980**

CONTINGENCIES AND COMMITMENTS (NOTE 8)
SUBSEQUENT EVENTS (NOTE 11)

Approved by the Board of Directors and authorized for issue on April 11, 2014

"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)
Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited – in thousands of Canadian dollars, except share data)

	Three months ended		Six months ended	
	February 28, 2014	**February 28, 2013**	**February 28, 2014**	**February 28, 2013**
EXPENSES				
General and administrative	$ 3,113	$ 3,439	$ 4,512	$ 4,221
Foreign exchange (gain) loss	134	(1,733)	(753)	(1,520)
Stock compensation expense	2,222	-	2,222	1,163
Write-down of exploration and evaluation assets	-	-	-	143
	(5,469)	(1,706)	(5,981)	(4,007)
Finance income	1,730	1,985	2,706	2,571
Income (Loss) for the period	**(3,739)**	**279**	**(3,275)**	**(1,436)**
Other comprehensive income (loss)				
Foreign currency translation adjustment	(842)	5,062	2,045	(5,088)
Comprehensive income (loss) for the period	**(4,581)**	**5,341**	**(1,230)**	**(6,524)**
Income (Loss) attributable to:				
Shareholders of Platinum Group Metals Ltd.	(3,816)	194	(3,369)	(1,629)
Non-controlling interests	77	85	94	193
	$ (3,739)	$ 279	$ (3,275)	$ (1,436)
Comprehensive income (loss) attributable to:				
Shareholders of Platinum Group Metals Ltd.	(4,502)	4,903	(1,294)	(6,384)
Non-controlling interests	(79)	438	64	(140)
	$ (4,581)	$ 5,341	$ (1,230)	$ (6,524)
Basic and diluted income (loss) per common share	$ (0.01)	$ 0.00	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding:				
Basic and diluted	500,121,409	245,954,708	451,171,520	245,954,708

PLATINUM GROUP METALS LTD.

(An exploration and development stage company)

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited – in thousands of Canadian dollars, except share data)

	# of Common Shares	**Share Capital**	**Contributed Surplus**	**Accumulated Other Comprehensive Income (loss)**	**Deficit**	**Attributable to Shareholders of the Parent Company**	**Non-Controlling Interest**	**Total**
Balance, August 31, 2012	177,584,542	$ 256,312	$ 16,934	$ (36,521)	$ (55,318)	$ 181,407	$ 39,683	$ 221,090
Stock based compensation	-	-	1,669	-	-	1,669	-	1,669
Share issuance – financing	225,000,000	180,000	-	-	-	180,000	-	180,000
Share issuance costs	-	(10,754)	-	-	-	(10,754)	-	(10,754)
Funding of non-controlling interest	-	-	-	-	(5,587)	(5,587)	5,587	-
Foreign currency translation adjustment	-	-	-	(4,755)	-	(4,755)	(333)	(5,088)
Net income (loss) for the period	-	-	-	-	(1,629)	(1,629)	193	(1,436)
Balance, February 28, 2013	402,584,542	425,558	18,603	(41,276)	(62,534)	340,351	45,130	385,481
Stock based compensation	-	-	65	-	-	65	-	65
Share issuance costs	-	(389)	-	-	-	(389)	-	(389)
Issued upon exercise of options	175,000	266	(75)	-	-	191	-	191
Funding of non-controlling interest	-	-	-	-	(12,075)	(12,075)	12,075	-
Foreign currency translation	-	-	-	(20,205)	-	(20,205)	(2,905)	(23,110)
Net income (loss) for the period	-	-	-	-	(10,740)	(10,740)	110	(10,630)
Balance, August 31, 2013	402,759,542	425,435	18,593	(61,481)	(85,349)	297,198	54,410	351,608
Stock based compensation	-	-	3,367	-	-	3,367	-	3,367
Share issuance – financing	148,500,000	175,230	-	-	-	175,230	-	175,230
Share issue costs	-	(9,968)	-	-	-	(9,968)	-	(9,968)
Issued upon the exercise of options	12,000	18	(5)	-	-	13	-	13
Funding of non-controlling interest	-	-	-	-	(5,029)	(5,029)	5,029	-
Transactions with non-controlling interest	-	-	-	(1,052)	(7,184)	(8,236)	8,236	-
Foreign currency translation	-	-	-	2,075	-	2,075	(30)	2,045
Net income (loss) for the period	-	-	-	-	(3,369)	(3,369)	94	(3,275)
Balance, February 28, 2014	**551,271,542**	**$ 590,715**	**$ 21,955**	**$ (60,458)**	**$ (100,931)**	**$ 451,281**	**$ 67,739**	**$ 519,020**

PLATINUM GROUP METALS LTD.
(An exploration and development stage company)
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited – in thousands of Canadian dollars)

	Six months ended February 28, 2014	February 28, 2013
OPERATING ACTIVITIES		
Loss for the period	$ (3,275)	$ (1,436)
Add items not affecting cash:		
Depreciation	235	183
Foreign exchange gain	(123)	(1,442)
Write down of exploration and evaluation assets	-	143
Stock compensation expense	2,222	1,163
Net change in non-cash working capital (Note 9)	(1,162)	(1,389)
	(2,103)	(2,778)
FINANCING ACTIVITIES		
Share issuance	175,230	180,000
Share issuance costs	(9,968)	(10,574)
Share issuance – stock options	13	-
	165,275	169,424
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(77,236)	(25,792)
Exploration expenditures, net of recoveries	(4,178)	(5,119)
South African VAT	319	1,093
Performance bonds	(1,317)	5,100
Restricted cash	10,185	3,489
	(72,227)	(21,229)
Net increase in cash and cash equivalents	**90,945**	**145,419**
Effect of foreign exchange on cash and cash equivalents	470	1,430
Cash and cash equivalents, beginning of period	**111,784**	**17,665**
Cash and cash equivalents, end of period	**$ 203,199**	**$ 164,514**

1. NATURE OF OPERATIONS AND LIQUIDITY

Platinum Group Metals Ltd. (the “Company”) is a British Columbia, Canada, company amalgamated on February 18, 2002. The Company’s shares are publicly listed on the Toronto Stock Exchange in Canada and the NYSE MKT LLC in the United States. The Company’s address is Suite 788-550 Burrard Street, Vancouver, British Columbia, V6C 2B5.

The Company is an exploration and development company conducting work on mineral properties it has staked or acquired by way of option agreements in Canada and the Republic of South Africa. The Company is currently developing the Project 1 platinum mine in South Africa. Project 1 is owned through operating company Maseve Investments 11 (Pty.) Ltd. (“Maseve”), in which the Company held a 74% working interest as of August 31, 2013 and the Company’s Black Economic Empowerment (“BEE”) partner, Africa Wide Mineral Prospecting and Exploration (Pty) Ltd. (“Africa Wide”), a wholly owned subsidiary of Wesizwe Platinum Ltd., owned 26%. A formal Mining Right was granted for Project 1 on April 4, 2012 by the Government of South Africa.

As a result of dilution to the holdings of Africa Wide, at February 28, 2014 and at present the Company holds a 77.38% working interest in Maseve and therefore Project 1. This working interest may, subject to a formal arbitration process as discussed below, increase to an 82.94% interest based on events to March 3, 2014.

These financial statements include the accounts of the Company and its subsidiaries. The Company’s subsidiaries are as follows:

Platinum Group Metals (RSA) (Pty) Ltd. - Johannesburg, RSA (100% ownership)
Maseve Investments 11 (Pty) Ltd. - Johannesburg, RSA (77.38% ownership)
Wesplats Holdings (Pty) Limited - Johannesburg, RSA (100% ownership)
Platinum Group Metals (Barbados) Ltd., Barbados (100% ownership)
Mnombo Wethu Consultants (Pty) Limited. – Johannesburg, RSA (49.9% ownership)

Prior to October 18, 2013 the Company was working with a syndicate of four international financial institutions (the “Lenders”) to complete a USD $260 million senior loan facility for the Project 1 platinum mine. Negotiations had advanced through detailed technical, financial and legal due diligence. Credit committee approval by the Lenders was announced on December 6, 2012. Closing and draw down of the loan facility would have been subject to the negotiation and execution of definitive documentation and satisfaction of conditions precedent.

Under the terms of the above mentioned senior loan facility the Company and Africa Wide would have been required to fund their respective 74% and 26% share of Project 1 funding over and above that which would have been provided by the senior loan facility. The Company and Africa Wide were also to be guarantors and obligors under the senior loan facility.

On October 18, 2013 Africa Wide informed the Company that it would not be funding its approximately USD $21.8 million share of a six month budget and cash call unanimously approved by the board of directors and shareholders of Maseve.

Subsequent to October 18, 2013 the Company began working with the Lenders to restructure a loan facility for Project 1 excluding Africa Wide and wherein the Company will be required to guarantee the obligations of Maseve by a pledge of its interests in the capital of Maseve and its interests in the Waterberg joint venture and Waterberg Extension (defined herein). On November 8, 2013 the Company entered into a new mandate letter with three of the four Lenders for a new USD $195 million senior loan facility for the Project 1 platinum mine. The new mandate will build on the work and due diligence towards a senior loan facility agreement that was achieved up to Africa Wide’s announcement on October 18, 2013. All costs directly related to the senior loan facility and the new mandate letter are included in other non-curent assets.

On December 31, 2013 the Company closed a $175 million equity financing for 148.5 million shares at a price of $1.18 per share.

The closing and draw down of the new senior loan facility remains subject to finalization of a facility agreement and a number of conditions in the new mandate letter, including financial and continued technical due diligence of the Company and the receipt of necessary regulatory approvals for the sale of Africa Wide's diluted interest in Maseve to a qualified BEE entity. The new senior loan facility under the terms and conditions of the new mandate letter will replace the previously proposed senior loan facility and will not rely on Africa Wide to provide any covenants, guarantees or consents. All costs directly related to the senior loan facility and the new mandate letter are included in other non-current assets.

Although Africa Wide has the right to participate in future cash calls relative to their percentage holding in Maseve at the time of each cash call, the Company anticipates that Africa Wide will not participate in future cash calls and that the Company and any new BEE partner will be responsible for all required additional equity to fund the construction of Project 1 as well as a cost overrun account under a new senior loan facility.

On March 3, 2014 Africa Wide failed to pay its approximately USD $21.52 million share of a second unanimously approved cash call. The Company estimates that Africa Wide will dilute to approximately a 17.1% holding in Maseve as a result of this second missed cash call, subject to the outcome of arbitration proceedings as described below. If Africa Wide does not fund its share of future cash calls they will likely be subject to further dilution under the terms of the Maseve Shareholders' Agreement.

There is no certainty that the Company will be able to successfully complete the new senior loan facility described above. Failure by the Company to complete a senior loan facility or alternative financing for Project 1, or to provide its share of required funding, may result in the delay or indefinite postponement of exploration, development, or production on any or all of the Company's properties, or even a loss of property interests. Estimated break fees that would be payable to contractors and suppliers for the Project 1 platinum mine in the event of an orderly cessation of work are estimated at $53,787 (Note 8).

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, "Interim Financial Reporting". The consolidated financial statements have been prepared under the historical cost convention.

These unaudited condensed consolidated interim financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's audited consolidated financial statements for the year ended August 31, 2013.

The consolidated financial statements are presented in Canadian dollars.

These interim financial statements follow the same significant accounting principles as those outlined in the notes to the annual financial statements for the year ended August 31, 2013 with the following standards adopted in the current fiscal period: IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements,* IFRS 12 *Disclosure of Interests in Other Entities* and IFRS 13 *Fair Value Measurement.* These new standards adopted have not resulted in any material change to the results of the Company.

The Company has not disclosed the fair value of accounts receivable, accounts payable, cash and cash equivalent, restricted cash and performance bonds because the carrying values approximate fair value as permitted by IFRS 7 therefore no IFRS 13 disclosures are required. The Company does not have any non-financial assets measured on a recurring basis. After considering its compliance with the disclosure requirements of IFRS 13 the Company concluded that further disclosures were not necessary to meet the disclosure objectives of the standard.

(in thousands of Canadian dollars unless otherwise noted)

3. AMOUNTS RECEIVABLE

	February 28, 2014	August 31, 2013
South African VAT	$ 5,394	$ 5,713
Other receivables	11	458
Interest	482	287
Expenditure advances	2	142
Canadian sales tax	130	73
Due from related parties (Note 7)	376	258
	$ 6,395	**$ 6,931**

(in thousands of Canadian dollars unless otherwise noted)

4. PROPERTY, PLANT AND EQUIPMENT

	Development assets	Construction work-in-progress	Land	Buildings	Office Equipment	Mining Equipment	Total
COST							
Balance, August 31, 2012	$ 137,593	$ 3,694	$ 14,770	$ 3,934	$ 948	$ 7,327	$ 168,266
Additions	40,139	26,168	-	-	823	21,334	88,464
Foreign exchange movement	(16,635)	(462)	(1,846)	(492)	(58)	(915)	(20,408)
Balance, August 31, 2013	161,099	29,400	12,924	3,442	1,713	27,744	236,322
Additions	41,155	22,534	-	726	65	3,712	68,192
Foreign exchange movement	455	86	38	10	2	81	672
Balance, February 28, 2014	**$ 202,709**	**$ 52,020**	**$ 12,962**	**$ 4,178**	**$ 1,780**	**$ 31,537**	**$ 305,186**
ACCUMULATED DEPRECIATION							
Balance, August 31, 2012	-	-	-	223	708	428	1,359
Additions	-	-	-	179	157	2,034	2,370
Foreign exchange movement	-	-	-	(28)	(43)	(53)	(124)
Balance, August 31, 2013	-	-	-	374	822	2,409	3,605
Additions	-	-	-	96	103	2,748	2,947
Foreign exchange movement	-	-	-	1	1	7	9
Balance, February 28, 2014	**$ -**	**$ -**	**$ -**	**$ 471**	**$ 926**	**$ 5,164**	**$ 6,561**
Net book value, August 31, 2013	**$ 161,097**	**$ 29,400**	**$ 12,924**	**$ 3,068**	**$ 891**	**$ 25,337**	**$ 232,717**
Net book value, February 28, 2014	**$ 202,709**	**$ 52,020**	**$ 12,962**	**$ 3,707**	**$ 854**	**$ 26,373**	**$ 298,625**

a) Project 1

Project 1, is located in the Western Bushveld region of South Africa and is currently in development. Project 1 is classified as development assets and construction in progress in Property, Plant and Equipment.

i. *Ownership of Project 1*

Under the terms of a reorganization executed on April 22, 2010 the Company acquired a 74% interest in Projects 1 and 3 of the former Western Bushveld Joint Venture through its holdings in Maseve, while the remaining 26% was acquired by Africa Wide (a 100% owned subsidiary of Wesizwe Platinum Ltd.). In consideration for the Company increasing its holdings to 74%, the Company paid subscription funds into Maseve, creating an escrow fund for application towards Africa Wide's 26% share of capital requirements. These funds were classified as restricted cash. As of February 28, 2014, the balance of restricted cash is $0 ($10,155 – August 31, 2013). For every $74 that was spent by the Company on project requirements, a further $26 was removed from the restricted cash to cover Africa Wide's share of such costs until the restricted cash was depleted in November 2013. No work was carried out on Project 3 during the period.

The Company consolidated the results of Maseve from the effective date of the reorganization. The portion of Maseve not owned by the Company, calculated at $64,536 at February 28, 2014 ($51,386 – August 31, 2013), is accounted for as a non-controlling interest.

On October 18, 2013 the 26% partner in the Project 1 platinum mine, Africa Wide, informed the Company that they would not be funding their share of a budget and cash call unanimously approved by the board of directors and shareholders of Project 1 operating company Maseve.

As a result of Africa Wide's failure to fund their share of the above mentioned cash call, and as determined in accordance with the dilution provisions of the Maseve Shareholder's Agreement, the Company calculated that Africa Wide would be diluted by 4.98% to a holding in Maseve of 21.02%. Africa Wide has instead calculated its dilution at 3.49%, reducing their shareholding, in their opinion, to 22.51%. At meetings of the shareholders and then of the board of directors of Maseve held on November 11, 2013 resolutions were unanimously approved to dilute Africa Wide by 3.49% with the possible further dilution of 1.49% sent to arbitration for determination according to the terms of the Maseve Shareholders' Agreement. The arbitration is currently in process and a decision is expected in June, 2014, although the exact date of a decision is not certain.

At period end, Africa Wide had been diluted by 3.38% to a 22.63% interest, leaving the Company owning a 77.38% working interest, with shares representing a further 0.16% to be issued to the Company once Maseve authorizes an increase in its authorized share capital to allow issuance of these new shares. This increase is to be resolved at Maseve's annual general meeting scheduled for April 16, 2014.

On March 3, 2014 Africa Wide failed to pay its approximately USD $21.52 million share of a second unanimously approved cash call. The Company estimates that Africa Wide will dilute to approximately a 17.1% holding in Maseve as a result of this second missed cash call. The outcome of the arbitration proceedings described above will determine the final dilution formula for the first and second missed cash call as well as for future dilution to Africa Wide, should it occur.

Africa Wide is the Company's BEE partner for Project 1, and legislation and regulations in South Africa require a 26% BEE equity stake in Mining Rights of good standing. The Company immediately advised the Department of Mineral Resources ("DMR") of Africa Wide's October 18, 2013 decision and the dilution implications as a result thereof.

(in thousands of Canadian dollars unless otherwise noted)

The DMR has provided the Company with assurance that it will apply the provisions of the Minerals and Petroleum Development Act 28 of 2002 related to any administrative processes or decisions to be conducted or taken within a reasonable time and in accordance with the principles of lawfulness, reasonableness and procedural fairness in giving the Company the opportunity to remedy the effect of Africa Wide's dilution. The Company is developing a plan to sell the diluted percentage interest in Maseve previously held by Africa Wide into another bona fide BEE holding company. The Company is considering Mnombo Wethu Consultants (Pty) Limited ("Mnombo") as the BEE company for this transaction. The Company currently owns 49.9% of the issued and outstanding shares of Mnombo and Mnombo acts as the Company's BEE partner in respect of their Waterberg JV Project and the Waterberg Extension Project.

ii. Other financial information - Project 1

At February 28, 2014 the Company had $4,760 posted in cash for environmental performance and other guarantees in South Africa, of which approximately $4,658 relates to Project 1 ($3,433 – August 31, 2013). By agreement in October 2012 a third party insurer posted a bond in the amount of $6,008 (R58.5 million) to the credit of the DMR in satisfaction of the Company's environmental guarantee specific to its Project 1 Mining Right. Subsequent to the posting of the bond the DMR released $6,008 (R58.5 million) to the Company from funds previously deposited. The Company then deposited $1,232 (R12 million) with The Standard Bank of South Africa against its environmental guarantee obligation and will make further annual deposits of approximately $1,232 (R12 million) per annum until the full amount of the Project 1 environmental guarantee is again on deposit and the third party bond arrangement will be wound up, or renewed at the Company's election. Interest on deposits will accrue to the Company. The Company will pay an annual fee of approximately $61 (R600,000) to the insurer as compensation.

5. EXPLORATION AND EVALUATION ASSETS

The Company has exploration projects in Canada and South Africa. The total capitalized exploration and evaluation expenditures are as follows:

	South Africa	Canada	Total
Balance, August 31, 2013	**$ 17,194**	**$ 5,253**	**$ 22,447**
Additions	5,115	179	5,294
Recoveries	(504)	-	(504)
Foreign exchange movement	63	-	63
Balance, February 28, 2014	**$ 21,868**	**$ 5,432**	**$ 27,300**

(in thousands of Canadian dollars unless otherwise noted)

REPUBLIC OF SOUTH AFRICA

		February 28, 2014		August 31, 2013
Project 3 – see Note 4(a)	$	**3,201**	$	**3,192**
Waterberg				
Acquisition costs		16		16
Exploration and evaluation costs		21,868		20,447
Recoveries		(9,372)		(8,843)
		12,512		**11,620**
Waterberg Extension				
Acquisition costs		22		-
Exploration and evaluation costs		4,123		347
		4,145		**347**
War Springs				
Acquisition costs		130		127
Exploration and evaluation costs		3,396		3,386
Recoveries		(2,115)		(2,112)
		1,411		**1,401**
Tweespalk				
Acquisition costs		73		72
Exploration and evaluation costs		643		641
Recoveries		(160)		(160)
		556		**553**
Other				
Acquisition costs		10		8
Exploration and evaluation costs		1,051		1,084
Recoveries		(1,018)		(1,011)
		43		**81**
Total South Africa Exploration	$	**21,868**	$	**17,194**

Waterberg JV

The Waterberg JV Project is comprised of a contiguous granted prospecting right area of approximately 255 km^2 located on the North Limb of the Bushveld Complex, approximately 70 kilometers north of the town of Mokopane (formerly Potgietersrus). PTM RSA applied for the original 137 km^2 prospecting right for the Waterberg JV Project area in 2009 and in September 2009 the DMR granted PTM RSA a prospecting right until September 1, 2012 for the requested area. Application for the renewal of this prospecting right for a further three years has been made. Under the MPRDA, the prospecting right remains valid pending the grant of the renewal. The original prospecting right was enlarged by a section 102 legal amendment in January 2013 and two further prospecting rights were granted to PTM RSA for the Waterberg JV Project and were executed on October 2, 2013. These prospecting rights are valid until October 1, 2018 and may each be renewed for a further period of three years thereafter.

In October 2009, PTM RSA entered into an agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") and Mnombo whereby JOGMEC could earn up to a 37% interest in the Waterberg JV for an optional work commitment of USD $3.2 million over 4 years, while at the same time Mnombo was required to match JOGMEC's expenditures on a 26/74 basis (USD $1.12 million). Under the terms of the October 2009 agreement the Company would retain a 37% share in the newly created Waterberg JV while Mnombo, a BEE partner, would earn the remaining 26% share.

On November 7, 2011 the Company entered into an agreement with Mnombo whereby the Company acquired 49.9% of the issued and outstanding shares of Mnombo in exchange for cash payments totalling R1.2 million and an agreement that the Company would pay for Mnombo's 26% share of joint venture costs until the completion of a feasibility study. When combined with the Company's 37% direct interest in the Waterberg JV (after the JOGMEC earn-in), the 12.974% indirect interest acquired through Mnombo brings the Company's effective project interest to 49.974% .

In April 2012, JOGMEC completed its USD $3.2 million earn in requirement. Following JOGMEC's earn in the Company funded Mnombo's USD $1.12 million share of costs and the earn-in phase of the joint venture ended in May 2012. Since then and up to February 28, 2014 an additional USD $19.9 million has been spent on the joint venture. The Company has funded the Company's and Mnombo's combined 63% share of this work for a cost of USD $12.5 million with the remaining USD $7.4 million funded by JOGMEC. As of February 28, 2014 an amount of USD $0.052 million in advances is due from JOGMEC against its 37% share of approved joint venture work to be completed in fiscal 2014.

Waterberg Extension

During 2012 the Company applied to the DMR for further prospecting rights adjacent to the North and East of the existing Waterberg JV property (the "Waterberg Extension"). These extension areas are located approximately 85 km North of the town of Mokopane and are not included in the existing Waterberg JV property.

The Waterberg Extension Project is comprised of three contiguous prospecting rights with a combined area of approximately 489 km ^{2} . Two of the prospecting rights were executed on October 2, 2013 and each is valid for a period of five years, expiring on October 1, 2018. The third prospecting right was executed on October 23, 2013 and is valid for a period of five years, expiring on October 22, 2018. The Company has the exclusive right to apply for renewals of the prospecting rights for periods not exceeding three years each and the exclusive right to apply for a mining right over these prospecting right areas. There are two further prospecting right applications for periods of five years each covering a further 330.56 km ^{2} in process with the DMR for addition to the Waterberg Extension Project.

The Company holds a direct 74% interest in the Waterberg Extension and Mnombo holds a 26% interest, leaving the Company with an 86.974% effective interest

War Springs and Tweespalk

On June 3, 2002, the Company acquired an option to earn a 100% interest in the 2,396 hectare War Springs property and the 2,177 hectare Tweespalk property both located in the Northern Limb or Platreef area of the Bushveld Complex, north of Johannesburg. The Company can settle the vendors' residual interests in these mineral rights at any time for USD $690 per hectare. The Company pays annual prospecting fees to the vendors of USD $3.25 per hectare. The vendors retain a 1% Net Smelter Return Royalty ("NSR") on the property, subject to the Company's right to purchase the NSR at any time for USD $1,400.

BEE groups Africa Wide 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.

No work was carried out on the War Springs or Tweespalk properties during the period. The Company is considering future exploration programs or a possible sale of the project.

(in thousands of Canadian dollars unless otherwise noted)

CANADA

		February 28, 2014		August 31, 2013
Ontario				
Acquisition costs	$	595	$	594
Exploration and evaluation costs		2,805		2,796
		3,400		**3,390**
Providence, Northwest Territories				
Acquisition costs		106		106
Exploration and evaluation costs		1,691		1,686
		1,797		**1,792**
Newfoundland and Labrador				
Acquisition costs		153		61
Exploration and evaluation costs		82		10
		235		**71**
Total Canada Exploration	**$**	**5,432**	**$**	**5,253**

Thunder Bay, Ontario

The Company maintains a mineral rights position in the Lac Des Iles area north of Thunder Bay, Ontario. The core long term holdings in the Lac Des Iles area consist of the 8 claim Shelby Lake and South Legris properties. These 8 claims are subject to 1.0% and 2.0% NSR, which the Company may buy back. Land holdings by the Company within the Thunder Bay Mining District at February 28, 2014 and to date total 276 km^2.

Providence, Northwest Territories

In September 2011, the Company purchased the Providence Nickel, Copper, Cobalt and Platinum Group Metals property located in the Northwest Territories from Arctic Star Exploration Corp. for a payment of $50 and a 1.0% NSR royalty. The claims that comprise the Providence property have been brought to lease. The application for lease was submitted in 2011 with the final lease grant approved in June 2013. To date the first, second and third year lease payments and application fees have been paid. Total acquisition costs were $106. As of February 28, 2014, the Company has spent $1,691 ($1,686 – August 31, 2013) toward exploration on the property.

Newfoundland and Labrador

On August 9, 2013, the Company entered into an option agreement with Benton Resources Corp. on the Mealy Lake Property in southwestern Labrador. The agreement consists of a one-time cash payment made by the Company of $51 on signing and $2,400 in exploration expenditures to be made over four years to earn a 71% interest in the property.

In addition to the Mealy Lake Project, the Company also staked the Atikonak Property in southwestern Labrador.

(in thousands of Canadian dollars unless otherwise noted)

Title to mineral properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, 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. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value.

(b) Issued and outstanding

At February 28, 2014, there were 551,271,542 shares outstanding.

During the six months ended February 28, 2014, the Company closed an offering of 148,500,000 shares for net proceeds to the Company of $165 million after underwriters' fees and other costs of the offering.

(c) Incentive stock options

The Company has entered into Incentive Stock Option Agreements ("Agreements") under the terms of its stock option plan with directors, officers, consultants 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 are subject to vesting provisions, while others vest immediately.

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

	Number of Shares	Average Exercise Price
Options outstanding at August 31, 2012	13,759,500	$ 1.91
Granted	3,809,000	0.93
Exercised	(175,000)	1.05
Expired	(800,000)	4.35
Cancelled	(785,000)	1.53
Options outstanding at August 31, 2013	15,808,500	1.58
Granted	5,825,000	1.30
Exercised	(12,000)	1.03
Expired	(1,507,000)	1.78
Options outstanding at February 28, 2014	20,114,500	$ 1.48

Number Outstanding and Exercisable at February 28, 2014	Exercise Price	Average Remaining Contractual Life (Years)
3,289,000	$ 0.96	3.53
25,000	1.00	3.32
23,000	1.03	3.65
100,000	1.05	4.25
100,000	1.20	2.85
9,339,000	1.30	4.07
75,000	1.38	2.97
992,000	1.40	0.50
3,724,000	2.05	2.19
2,347,500	2.10	1.74
50,000	2.20	1.77
50,000	2.57	1.85
20,114,500		3.16

(in thousands of Canadian dollars unless otherwise noted)

The stock options outstanding have an intrinsic value of $1,061 at February 28, 2014.

During the six months ended February 28, 2014, the Company granted 5,825,000 stock options (February 28, 2013 – 3,674,000). The Company recorded $3,368 ($2,222 expensed and $1,146 capitalized to mineral properties) of compensation expense during the six months ended February 28, 2014 (February 28, 2013 – $1,669 ($1,163 expensed and $506 capitalized to mineral properties)).

The Company uses the Black-Scholes model to determine the grant date fair value of stock options granted. The following weighted average assumptions were used in valuing stock options granted during the six months ended February 28, 2014 and 2013:

Six months ended	February 28, 2014	February 28, 2013
Risk-free interest rate	1.48%	1.34%
Expected life of options	3.7	3.5
Annualized volatility	60%	64%
Forfeiture rate	0%	3%
Dividend rate	0.00%	0.00%

7. RELATED PARTY TRANSACTIONS

Transactions with related parties are as follows:

(a) During the six months ended February 28, 2014, $219 ($75 – February 28, 2013) was paid to independent directors for directors' fees and services.

(b) During the six months ended February 28, 2014, the Company accrued or received payments of $51 ($51 – February 28, 2013) from West Kirkland Mining Inc. ("WKM"), a company with two directors in common, for administrative services. Amounts receivable at the end of the period include an amount of $163 ($60 – February 28, 2013) due from WKM.

(c) During the six months ended February 28, 2014, the Company accrued or received payments of $20 ($53 – February 28, 2013) from Nextraction Energy Corp. ("NE"), a company with three directors in common, for administrative services. Amounts receivable at the end of the period include an amount of $195 ($98 – February 28, 2013) due from NE.

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 estimated fair value, which is the consideration established and agreed to by the noted parties.

8. CONTINGENCIES AND COMMITMENTS

The Company's remaining minimum payments under its office and equipment lease agreements in Canada and South Africa total approximately $3,043 to August 31, 2020. The Company also has commitments for Project 1 related insurance coverage totaling approximately $61 over the next fiscal year.

The Company's project operating subsidiary, Maseve, is party to a long term 40MVA electricity supply agreement with South African power utility, ESKOM. In consideration Maseve is to pay connection fees and guarantees totaling R142.22 million ($14,677 at February 28, 2014) to fiscal 2014. The Company has paid R70.42 million ($7,267 at February 28, 2014), therefore R71.8 million ($7,410 at February 28, 2014) of the commitment remains outstanding. These fees are subject to possible change based on ESKOM's cost to install. ESKOM's schedule to deliver power is also subject to potential for change.

(in thousands of Canadian dollars unless otherwise noted)

On March 26, 2013 the Company waived an outstanding condition precedent to a water off-take agreement with the Magalies Water Board for the long term supply of water to the Project 1 mine site. The agreement is now in effect. Pursuant to a 50/50 sharing agreement with Wesizwe, the Company will be responsible for the cost of regional infrastructure to deliver water to the Project 1 mine site in an amount not to exceed R73.0 million (approximately $7.56 million at February 28, 2014). In order to source water for its own nearby project Wesizwe will be required to pay for its 50% share of the cost as described above. Wesizwe indicated to the Company on November 11, 2013 that they will comply with the sharing agreement.

Tenders for the primary mill components, mining development and equipment and other project expenditures have been adjudicated and orders have now been placed resulting in a commitment of R1,290 million ($133 million at February 28, 2014) over the next two years.

From period end the aggregate commitments are as follows:

	Payments by period				
	< 1 years	**1 – 3 years**	**4 – 5 years**	**> 5 years**	**Total**
Lease obligations	$ 202	$ 1,329	$ 1,019	$ 493	$ 3,043
ESKOM – power	392	7,018	-	-	7,410
Magalies water	1,189	-	-	-	1,189
Insurance contracts	61	-	-	-	61
Concentrator plant and surface infrastructure	31,100	16,176	-	-	47,276
Mining development	41,540	39,064	-	-	80,604
Mining equipment	4,251	981	-	-	5,232
	$ 78,735	**$ 64,568**	**$ 1,019**	**$ 493**	**$ 144,815**

The above contracts are subject to the following estimated break fees in the event of cancellation:

Concentrator plant and surface infrastructure	$ 22,808
Mining development	20,898
Mining equipment	3,496
Other property expenditures	6,585
	$ 53,787

Break fees are estimated by means of contractual notice periods, work in progress costs and normal costs associated with the unwinding and disestablishment of certain contractors.

9. SUPPLEMENTARY CASH FLOW INFORMATION

Net change in non-cash working capital:

Six months ended	**February 28, 2014**	**February 28, 2013**
Amounts receivable, prepaid expenses and other assets	$ (602)	$ (1,488)
Accounts payable and accrued liabilities	(560)	99
	$ (1,162)	**$ (1,389)**

(in thousands of Canadian dollars unless otherwise noted)

10. SEGMENTED REPORTING

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

Assets

		February 28, 2014		August 31, 2013
Canada	$	197,289	$	115,328
South Africa		346,343		274,652
	$	**543,632**	**$**	**389,980**

Substantially all of the Company's capital expenditures are made in the South Africa; however the Company also has exploration properties in Canada.

Income (Loss) attributable to the shareholders of Platinum Group Metals Ltd.

Six months ended		February 28, 2014		February 28, 2013
Canada	$	(3,485)	$	(2,974)
South Africa		116		1,345
	$	**(3,369)**	**$**	**(1,629)**

11. SUBSEQUENT EVENTS

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

On March 3, 2014 Africa Wide failed to pay its approximately USD $21.52 million share of a second unanimously approved cash call. The Company estimates that Africa Wide will dilute to approximately a 17.1% holding in Maseve as a result of this second missed cash call, subject to the outcome of arbitration proceedings as described above. If Africa Wide does not fund its share of future cash calls they will likely be subject to further dilution under the terms of the Maseve Shareholders' Agreement.

PLG:NYSE AMEX
PTM:TSX

Platinum Group Metals Ltd.
(An Exploration and Development Stage Company)
Supplementary Information and MD&A
For the three and six months ended February 28, 2014

This Management's Discussion and Analysis is prepared as of April 11, 2014

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis (" **MD&A** ") of Platinum Group Metals Ltd. (" **Platinum Group** ", the " **Company** " or " **PTM** ") is dated as of April 11, 2014 and focuses on the Company's financial condition and results of operations for the three and six months ended February 28, 2014. This MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three and six months ended February 28, 2014 together with the notes thereto (the " **Financial Statements** ").

The Company prepares its financial statements in accordance with International Financial Reporting Standards (" **IFRS** ") and in accordance with International Accounting Standard 34 – *Interim Financial Reporting* . All dollar figures included therein and in the following MD&A are quoted in Canadian Dollars unless otherwise noted. All references to "U.S. Dollars" or to "US$" are to United States Dollars. All references to "R" or to "Rand" are to South African Rand.

PRELIMINARY NOTES

NOTE REGARDING FORWARD-LOOKING STATEMENTS:

This MD&A and the documents incorporated by reference herein contain "forward-looking statements" and "forward-looking information" within the meaning of applicable US and Canadian securities legislation (collectively, " **Forward-Looking Statements** "). All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will, may, could or might occur in the future are Forward-Looking Statements. The words "expect," "anticipate," "estimate," "may," "could," "might," "will," "would," "should," "intend," "believe," "target," "budget," "plan," "strategy," "goals," "objectives," "projection" or the negative of any of these words and similar expressions are intended to identify Forward-Looking Statements, although these words may not be present in all Forward-Looking Statements. Forward-Looking Statements included or incorporated by reference in this MD&A include, without limitation, statements with respect to:

- revenue, cash flow and cost estimates and assumptions;
- production estimates and assumptions, including production rate, grade per tonne and smelter
- recovery;
- project economics;
- project debt financing;
- future metal prices and exchange rates;
- mineral reserve and mineral resource estimates;
- production timing; and
- potential changes in the ownership structures of the Company's projects.

Forward-Looking Statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-Looking Statements in respect of capital costs, operating costs, production rate, grade per tonne and smelter recovery are based upon the estimates in the technical reports described herein and ongoing cost estimation work, and the Forward-Looking Statements in respect of metal prices and exchange rates are based upon the three year trailing average prices and the assumptions contained in such technical reports and ongoing estimates.

Forward-Looking Statements are subject to a number of risks and uncertainties that may cause the actual events or results to differ materially from those discussed in the Forward-Looking Statements, and even if events or results discussed in the Forward-Looking Statements are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things:

- inability of the Company to find an additional and suitable joint venture partner for the Project 1 (as defined herein) and Project 3 (as defined herein) platinum mines;
- failure of the Company or its joint venture partners to fund their respective pro-rata share of funding obligations;
- additional financing requirements;
- history of losses and ability to continue as a going concern;
- no known mineral reserves on most of the Company’s properties and delays in, or inability to achieve, planned commercial production;
- discrepancies between actual and estimated mineral reserves and mineral resources, between actual and estimated development and operating costs, between actual and estimated metallurgical recoveries and between estimated and actual production;
- fluctuations in the relative values of the Canadian Dollar as compared to the Rand and the U.S. Dollar;
- metals price volatility;
- difficulty enforcing certain judgments involving United States federal securities laws;
- the Company’s potential guarantee obligations under the proposed New Project Loan Facility (as defined herein), if consummated;
- delays in the start-up of the Project 1 platinum mine which could result in a default under the New Project Loan Facility, if consummated;
- the ability of the Company to retain its key management employees; conflicts of interest;
- any disputes or disagreements with the Company’s joint venture partners;
- the costs of increasing Black Economic Empowerment (" **BEE** ") in the Company's mining and prospecting operations;
- certain potential adverse Canadian tax consequences for foreign-controlled Canadian companies that acquire common shares of the Company;
- the Company’s designation as a “passive foreign investment company” and potential adverse U.S. federal income tax consequences for U.S. shareholders;
- exploration, development and mining risks and the inherently dangerous nature of the mining industry, including environmental hazards, industrial accidents, unusual or unexpected formations, safety stoppages (whether voluntary or regulatory), pressures, mine collapses, cave ins or flooding and the risk of inadequate insurance or inability to obtain insurance to cover these risks and other risks and uncertainties;

- property and mineral title risks including defective title to mineral claims or property;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, South Africa or other countries in which the Company does or may carry out business in the future;
- equipment shortages and the ability of the Company to acquire the necessary access rights and infrastructure for its mineral properties;
- environmental regulations and the ability to obtain and maintain necessary permits, including environmental authorizations;
- extreme competition in the mineral exploration industry;
- risks of doing business in South Africa, including but not limited to, labour, economic and political instability and potential changes to legislation;
- no expectation of paying dividends, share price volatility, global financial conditions and dilution due to future issuances of equity securities; and
- the other risks disclosed under the heading “Risk Factors” in the Company’s Annual Information Form dated November 26, 2013 (“ **AIF** ”).

These factors should be considered carefully, and investors should not place undue reliance on the Company’s Forward-Looking Statements. In addition, although the Company has attempted to identify important factors that could cause actual actions or results to differ materially from those described in Forward-Looking Statements, there may be other factors that cause actions or results not to be as anticipated, estimated or intended.

The mineral resource and mineral reserve figures referred to in this MD&A are estimates and no assurances can be given that the indicated levels of platinum (“ **Pt** ”), palladium (“ **Pd** ”), rhodium (“ **Rh** ”) and gold (“ **Au** ”) (collectively referred to as “ **4E** ”) will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the mineral resource and mineral reserve estimates included in this MD&A are well established, by their nature, mineral resource and mineral reserve estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. Any inaccuracy or future reduction in such estimates could have a material adverse impact on the Company.

Any Forward-Looking Statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any Forward-Looking Statement, whether as a result of new information, future events or results or otherwise.

NOTE TO U.S. INVESTORS REGARDING RESOURCE ESTIMATES:

Estimates of mineralization and other technical information included or incorporated by reference herein has been prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“ **NI 43-101** ”). The definitions of proven and probable reserves used in NI 43-101 differ from the definitions in the United States Securities and Exchange Commission (“ **SEC** ”) Industry Guide 7. Under SEC Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report reserves, the three year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. As a result, the reserves reported by the Company in accordance with NI 43-101 may not qualify as “reserves” under SEC standards. In addition, the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the SEC.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities laws, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Additionally, disclosure of "contained ounces" in a resource is permitted disclosure under Canadian securities laws; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measurements. Accordingly, information contained in this MD&A and the documents incorporated by reference herein containing descriptions of the Company's mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of United States federal securities laws and the rules and regulations thereunder.

TECHNICAL AND SCIENTIFIC INFORMATION:

The technical and scientific information contained in this MD&A has been reviewed and approved by R. Michael Jones, P.Eng, President and Chief Executive Officer and a director of the Company. Mr. Jones is a non-independent "qualified person" as defined in NI 43-101 (a " **Qualified Person** ").

1. DESCRIPTION OF BUSINESS

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

The Company's business is currently focused on the construction of the Project 1 platinum mine (" **Project 1** ") and the exploration and initial engineering on the newly discovered Waterberg Platinum deposit, where the Company is the operator of the Waterberg joint venture project (the " **Waterberg JV Project** ") with the Japan Oil, Gas and Metals National Corporation (" **JOGMEC** ") and Mnombo Wethu Consultants (Pty) Ltd. (" **Mnombo** "). The Company has also expanded its exploration on to the prospecting rights covering 530km^2 immediately adjacent and north of the Waterberg JV Project property (the " **Waterberg Extension Project** " and, together with the Waterberg JV Project, the " **Waterberg Projects** "). As a result of the resource scale and thickness of the Waterberg deposit, the Waterberg Projects have increased in importance in the Company's business recently.

The Company's current complement of managers, staff and consultants in Canada consist of approximately 13 individuals and the Company's complement of managers, staff, consultants and casual workers in South Africa consist of approximately 184 individuals.

Project 1 is operated by the Company on an "owner managed-contractor operated" basis. At present the Company has 26 of its staff, 50 technical services and security staff and 15 human resources and labour consultants assigned to Project 1. JIC Mining Services (" **JIC** ") has approximately 523 people assigned to both the north and south mine areas at Project 1. Engineering, procurement, construction and management (" **EPCM** ") contractor DRA Mining (Pty) Ltd. (" **DRA** ")has been formally engaged as EPCM contractor for the construction of Phase 2 surface infrastructure including mill and flotation circuit construction. DRA is managing approximately 525 people working on site at Project 1 assigned to earthworks, tailings storage facility, construction of surface infrastructure and civil construction of the concentrator plant. Of the people working on site at Project 1 in South Africa at present, approximately 21% are people from the local communities surrounding Project 1.

In addition to its existing general office space in Canada and South Africa, the Company utilizes facilities at the Company-owned Sundown Ranch property for Project 1 mine site administration, site induction and staff services and uses a secure compound and core storage facility at the Company-owned Elandsfontein Farm, adjacent to Project 1. The Company also rents a secure compound for core storage, administration and field services near the Waterberg Projects.

2. PROPERTIES

Under IFRS, 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 mineral reserves, the ability of the Company to obtain the necessary financing to complete the development of the property, and any future profitable production; or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

The Company evaluates the carrying value of its property interests on a regular basis. Any properties management deems to be impaired are written down to their estimated net recoverable amount or written off. For more information on mineral properties, see below and Notes 4 and 5 of the Company's Financial Statements.

SOUTH AFRICAN PROPERTIES

The Company conducts its South African exploration and development work through its wholly-owned direct subsidiary Platinum Group Metals RSA (Pty.) Ltd. (" **PTM RSA** "). Development of Project 1 is conducted through Maseve Investments 11 (Pty) Ltd. (" **Maseve** "), a company which at February 28, 2014 is held 77.38% by PTM RSA and 22.62% by Africa Wide Mineral Prospecting and Exploration (Pty) Limited (" **Africa Wide** "), which is in turn owned 100% by Johannesburg Stock Exchange listed Wesizwe Platinum Limited (" **Wesizwe** "). See "Project 1 and Project 3 – Africa Wide Dilution" for details regarding the dilution of Africa Wide's shareholding in Maseve.

The Company is the operator of the Waterberg Projects, consisting of the Waterberg JV Project and the Company's exploration on prospecting rights on the Waterberg Extension Project. The Company conducts all of its exploration activities at the Waterberg Projects through PTM RSA. As a result of the resource scale and thickness of the Waterberg deposit, exploration activities at the Waterberg Projects have increased in importance in the Company's business.

Project 1 and Project 3, South Africa

Projects 1 and 3 – Activities in the Period ended February 28, 2014

During the six months ended February 28, 2014, the Company incurred $65.3 million in development costs for Project 1 and did not incur any significant costs on Project 3, located adjacent to and to the north of Project 1. In the prior year comparative period, total Project 1 and Project 3 expenditures amounted to $22.7 million. At February 28, 2014, the Company carries total deferred development costs related to Project 1 of $281 million and another $3.2 million related to Project 3. Africa Wide's non-controlling interest in Maseve as at February 28, 2014 is recorded at $64.5 million.

The original Phase 1 development program was budgeted at R856.83 million (approximately US$100 million at the time). Including the effect of both increases and decreases in scope, Phase 1 was completed in March 2013 at a total cost of R777.20 million; however a further amount of R81.3 million related to deferred expenditures for electrical services is still expected to be incurred, bringing the Phase 1 total cost essentially to budget. Phase 1 was completed approximately 12 weeks behind original schedule as set at commencement. Schedule delays occurred as a result of the time taken to obtain permits and sub-optimal civil contractor performance early in Phase 1 related to electrical procurement, construction of sumps and high wall steel work installation. During the period from February to March 2013 advance was halted or delayed for approximately a month due to a Notice under Section 54 of the Mine Health and Safety Act (1996) as described below.

The north decline box cut excavation brings the working area down an access ramp from surface for 128 metres linear and 20 metres vertical to where the north declines enter the underground. From the portal entrance or “collar” the north declines are now approximately 1,294 metres linear (at February measuring) and approximately 222 metres vertical (at February measuring) into the underground. This brings development to the first infrastructure level in order to provide for storage bins for conveyor transfers from various mining blocks at depth as well as workshops, reef drive take offs, ventilation headings and other ancillary excavations totaling 1,249 metres (at February measuring). Break away declines are now underway to mining blocks 11 and 12 totaling 588 metres linear and approximately 260 metres vertical. Multiple cross cuts between declines of 10 metres in length and multiple re-muck bays have also been installed as well as sumps and water management facilities. Two ventilation raise bore shafts have now been completed and commissioned.

On March 28, 2013 the Merensky Reef was intercepted in the north declines as had been projected in the mine geological model. Underground drives along the strike of the deposit have now advanced on the Merensky Reef approximate position northward for approximately 546 metres (at February measuring), exposing approximately 175 metres of well-developed reef. Raise development of 157 metres has commenced into the mining blocks and continues. Shallow Merensky Reef mine blocks are exhibiting rolling features where the critical zone of the Bushveld Igneous Complex is in close proximity to the Transvaal Sediment floor rocks. This condition, referred to as an abutment facies of the Merensky Reef, is common to the shallow portions of the adjacent operating mine. Small scale stock piling of Merensky Reef material on surface has begun with approximately 45,000 tonnes on surface (at February 28, 2014 measuring). As development opens areas of Merensky Reef, an evaluation of the initial mining blocks will be completed by Company geologists and engineers. In addition to the drives along the reef position laterally the north declines have now turned and are continuing from the first infrastructural level targeting deeper mine blocks

The rate of underground development in the north and south declines continues to be an important factor with respect to future mine start-up dates and production rates. Delays in underground development, stopping rates and planned tonnages may result in delayed start-up of production and may have a negative impact on peak funding and working capital requirements. Mine start up is currently targeted on Q4 of calendar 2015.

The south box cut is complete and underground mining has advanced the material decline for approximately 306 metres and the Conveyor decline for approximately 246 metres (at February measuring). The south decline Phase 2 development is behind the original planned schedule and this contributed to the delayed start target for the mine of Q4 calendar 2015. The development of the south declines has progressed slower than anticipated due to poor ground conditions in the first 50 metres vertical from surface. Work to deal with these conditions included consolidation support, grouting, void filling and the installation of steel sets. The south declines are now advancing into more competent rock. Development rates are improving and are currently at the call for the current schedule.

As of the date of this MD&A, approximately $255 million has been invested in Phase 1 and Phase 2 development assets and construction in progress (not including mining equipment, land or non-mining related buildings). Estimated initial production and concentrate sales are expected in Q4 2015. The amount of time for the further delay of first concentrate sales depends on the delay in final financing arrangements for the Project 1 and other factors. The ramp-up profile for production from commencement forward over the following two years is similar to previous projections when the start date delay is considered. Delays in ramp-up profile could occur if underground development rates fall behind plan, potentially resulting in delayed revenue from concentrate sales, which would negatively impact peak funding requirements.

Since late 2012 the Company and DRA have been working on design work and preparations for the Phase 2 construction of milling, concentrating and tailings facilities. Tenders for the Primary Mill components, mining development and equipment and other project expenditures have been adjudicated and orders have now been placed resulting in a commitment of R1.29 billion ($133 million at February 28, 2014) over the next two years.

The primary run of mine ball mill has been ordered from Outotec RSA (Pty) Ltd. and cleaner flotation cells have been ordered from Metso Mining and Construction (South Africa) Pty Ltd. Phase 2 construction at Project 1 commenced in early January 2013 and earth works and laydown areas for mill and concentrator facilities are now mostly complete. Foundations for major mill and concentrator components are now above ground. Civil engineering and construction work is well advanced and on schedule. Expected deliveries for all major components remain on schedule. Ancillary servicing for the north decline site, including buildings, piping, cabling, fencing and security, has been completed.

Electrical generating capacity has been overwhelmed by demand in recent years in South Africa, but additional capacity is currently under construction. See “Risk Factors” in the Company’s AIF.

The Company expects that power requirements for Project 1 will be met as and when required. Power has been in short supply in South Africa and the supply of power represents a project risk. Power lines and a sub-station at commercial scale have been installed on site. ESKOM has completed installation of transformers for an initial 10MVA service to site and commissioning of that service occurred in October 2013. The mining and milling operations of Project 1 do not require more than 20 MVA for several years and the full 40MVA service is not required until 2017 and beyond in the current mine plan. ESKOM’s engineers and the Company have approved a plan to use an existing 88KVA regional infrastructure to provide the mine site with power as needed during ramp-up.

The Company has paid deposits to ESKOM of R70.42 million (approximately $7.27 million at February 28, 2014) of R142.22 million in estimated costs (approximately $14.68 million at February 28, 2014) for ESKOM’s work in designing and constructing infrastructure for the delivery of electrical power to the property.

In February 2013 the National Energy Regulator of South Africa approved an 8% annual rate increase in the electricity tariff for the next five years. This escalation is within the general sensitivities for total costs as considered in the 2009 UFS. Increased power costs will affect all producers of platinum in South Africa.

At full capacity the Project 1 mine is estimated to require a maximum water supply of 6 megalitres/day (“ **ML/day** ”). In 2011, Maseve entered into an agreement with regional water supplier Magalies Water (“ **Magalies** ”) for a temporary 0.5 ML/day water supply. The construction of a water pipeline to site was completed in 2012 and the temporary water supply is now in service. On site water management infrastructure was built at a scale suitable for full scale production for Project 1. An agreement between Maseve and Magalies for a permanent water supply of 6 ML/day was executed in late November 2012 and full scale service is expected to begin when required. Magalies, Wesizwe and Maseve are currently cooperating to purchase and install a pipeline connected to Magalies local supply for delivery of full scale service as planned to both Project 1 and Wesizwe’s nearby operations. Magalies currently has existing capacity to supply Project 1, but will need to complete new regional infrastructure to meet expected mine and municipal demand in the future.

Working with a third party specialist, the Company has acquired and maintains insurance coverage in South Africa for Project 1 including policies for course of construction, wrap around liability and a South African special risks policy.

Project 1 - Safety

The Company considers safety at Project 1 to be its first priority. A formalized safety training, testing and monitoring regime administered by a third party specialized consulting firm has been underway for Project 1 since commencement of Phase 2 and continues at present.

On February 13, 2013 Moshiko Molepo, an employee of a surface earth works contractor, was involved in an incident on surface at the Project 1 mine site and subsequently died while receiving medical care. A formal inquiry with respect to the fatality was commenced on August 20, 2013 for three days and was then adjourned. The inquiry was scheduled to reconvene in late 2013 but was postponed and then completed in March 2014. The final report of the inquiry is outstanding. The Company does not anticipate any material claims being brought against it arising from this incident.

As a construction site Project 1 generally is comparable to other platinum mining operations for its safety statistics. The Company continues to work earnestly to improve its safety.

Project 1 - Financial Overview

The Company completed a definitive feasibility study in July 2008 and the 2009 UFS in October 2009 for Project 1, which was at that time a portion of the Western Bushveld joint venture (" **WBJV** ") in South Africa. Included in each study is a declaration of four element or "4E" reserve ounces of combined platinum, palladium, rhodium and gold at the time of publication.

The base case for the 2009 UFS was modeled using 3 year trailing metal prices at September 2009, including US$1,343 per ounce platinum, an exchange rate of R8 to the U.S. Dollar. Since April 2013 there has been significant volatility in the market prices for base metals and for gold and other precious metals such as platinum and palladium. In recent months the Rand has weakened to approximately R10.6 to each 1 US$. Weakening metal prices or a stronger Rand will each have a negative effect on peak funding estimates for Project 1. The escalation of costs, metal price volatility, production ramp up timing and Rand volatility are all material risk factors for Project 1.

In April 2012, the Company completed a revised cost budget estimate based on post-2009 UFS work for inclusion in a financial model for a syndicate of lead arrangers. The Company referred to industry sources and Qualified Persons for updated cost information and also applied experience gained during procurement and construction under early project construction and development. The revised peak funding estimate, which is calculated in Rand, was published in April 2012. The revised estimate was approximately US$506 million (at R8 to the US$) for the construction and commissioning of Project 1, representing an escalation of approximately 14% since the 2009 UFS. Operating costs per tonne were estimated to have escalated approximately 24% since the 2009 UFS. These operating cost escalation estimates are in keeping with inflation rates and industry experience in South Africa since 2009.

On September 5, 2012, Maseve received notice from Rustenburg Platinum Mines Ltd. (" **RPM** ") regarding RPM's exercise of its 60-day right of first refusal to enter into an agreement with Maseve on terms equivalent to indicative terms agreed to by Maseve with another commercial off-taker for the sale of concentrate produced from Project 1 and Project 3. Formal legal off-take agreements were executed in April 2013 based on the third party indicative terms. The terms of the executed off-take agreement with RPM are not materially different than those modeled in the 2009 UFS.

On June 14, 2013 the Company announced that as a result of slower than planned development rates in the south mine, and a one month project delay as a result of Section 54 safety work stoppages, the targeted start date for first concentrate production had been adjusted by six months to mid-2015. As of the date of this MD&A, approximately $255 million has been invested for construction at Project 1. Estimated initial production and concentrate sales are expected in Q4 2014. There are risks of delays in the production profile including but not limited to delays in underground development, construction of the infrastructure and mill and general labour disruptions.

The Company is seeing escalation in Rand terms at Project 1 in areas such as labour, diesel fuel, power and certain supplies. These escalations have been consistent with those seen in the South African mining industry in general over recent years. Major service contracts and equipment purchase contracts are collectively in keeping with previous cost estimates plus industry escalation. The Company's original cost estimates were modelled at 8 Rand to the U.S. Dollar. With the Rand currently at or near 10.6 Rand to the U.S. Dollar these cost escalations are substantially offset in U.S. Dollar terms, however, diesel petroleum products are marked to U.S. Dollar prices and a weakening Rand has the effect of raising Rand-based fuel costs.

When based on longer term metal price assumptions the net effect of escalation and project delays was estimated by the Company in June, 2013 at less than a 10% increase from previous cost estimates in U.S. Dollars, however weakening metal price assumptions or a stronger Rand will each have a negative effect on peak funding estimates for Project 1. Delays in underground development or delays in delivery of ore tonnage to surface stockpiles will also have a negative effect on peak funding requirements. The escalation of costs, metal price volatility, production ramp up timing and Rand volatility are all material risk factors for Project 1. As a result of the decision of Africa Wide on October 18, 2013 not to fund a cash call approved by the Maseve board of directors, and the consequent delays in finalization of the Project 1 finance package including project lending, a procurement freeze was implemented on Project 1. The resulting delay in implementing construction contracts combined with potential delays in ramping-up mining ore may result in a decision to further delay the completion of mill construction and the first concentrate sales.

On December 9, 2013, the Company announced a bought deal financing for 148.5 million common shares of the Company at a price of $1.18 per share resulting in gross proceeds of $175.23 million. The offering closed December 31, 2013 with net proceeds to the Company after fees, commissions and costs of approximately $165 million. The completion of this equity financing has allowed the Company to recommence on many significant contracts and critical path items for Project 1.

The Company is currently working to close a U.S. $195 million New Project Loan Facility for Project 1. See details below at “Project 1 - New Project Loan Facility”.

Apart from delays and updated financial estimates, the general mine plan for Project 1 is substantially unchanged from the 2009 UFS with a steady state production rate of 275,000 4E platinum, palladium, rhodium and gold derived from decline accessed Merensky and UG-2 ore.

Project 1 and Project 3 - Africa Wide Dilution

On October 18, 2013, Wesizwe, through its subsidiary Africa Wide, informed the Company that it would not be funding its approximately US$21.8 million share of a project budget and cash call for Project 1 that had been unanimously approved by the shareholders and board of directors of Maseve. Based on, and determined in accordance with the dilution provisions of the Maseve Shareholders’ Agreement, the Company calculated that Africa Wide will be diluted by 4.98% to a holding in Maseve of 21.02% . However, Africa Wide calculated its dilution at 3.49%, reducing its shareholding, in its opinion, to 22.51% . At meetings of the shareholders and the board of directors of Maseve held on November 11, 2013, resolutions were passed to unanimously approve the issuance of shares in Maseve to PTM RSA which would dilute Africa Wide by 3.49%, with the possible further dilution of another 1.49% sent to arbitration for determination according to the terms of the Maseve Shareholders’ Agreement.

On March 3, 2014 Africa Wide failed to pay its approximately U.S. $21.52 million share of a second unanimously approved cash call. The Company estimates that Africa Wide will dilute to approximately a 17.1% holding in Maseve as a result of this second missed cash call. As a result of the second cash call Platinum Group will hold between 82.9% and 80.8% interest depending on the outcome of an ongoing binding arbitration on the dilution formula.

The outcome of the arbitration proceedings described above will determine the final dilution formula for the first and second cash calls missed by Africa Wide as well as for future dilution to Africa Wide, should it occur. The arbitration is currently in process and a decision is expected in June, 2014, although the exact date of a decision is not certain.

As Africa Wide is the Company’s BEE partner for Project 1, and legislation and regulations in South Africa require a 26% equity stake in mining rights to remain in good standing, the Company advised the Department of Mineral Resources of the Government of South Africa (“ **DMR** ”) on October 19, 2013 of Africa Wide’s decision to not fund the cash call and the dilution implications as a result thereof. On October 24, 2013 the DMR provided the Company with a letter stating that it will apply the provisions of the Minerals and Petroleum Development Act 28 of 2002 (" **MPRDA** ") related to any administrative processes or decisions to be conducted or taken within a reasonable time and in accordance with the principles of lawfulness, reasonableness and procedural fairness in giving the Company the opportunity to remedy the effect of Africa Wide’s dilution.

The Company is developing a plan to sell the diluted percentage interest in Maseve previously held by Africa Wide into another bona fide BEE holding company. The Company is considering Mnombo as the BEE company for this transaction. The Company currently owns 49.9% of the issued and outstanding shares of Mnombo and Mnombo acts as the Company's BEE partner in respect of their Waterberg JV Project and the Waterberg Extension Project.

Project 1 - New Project Loan Facility

On December 6, 2012 the Company announced that a syndicate of lead arrangers, appointed in August 2011, had obtained credit committee approval for a US$260 million project loan facility (the " **Original Proposed Loan Facility** "). Closing and draw down of the Original Proposed Loan Facility was still subject to the negotiation and execution of definitive documentation and the satisfaction of conditions precedent.

On November 8, 2013 the Company entered into a new mandate letter with Barclays Bank PLC, Absa Corporate and Investment Bank, a division of Absa Bank Limited, Caterpillar Financial SARL and Societe Generale (London Branch) (the " **New Arrangers** ") for a US$195 million project loan facility (the " **New Project Loan Facility** "). The new mandate letter replaces the mandate letter and related documents prepared in connection with the Original Proposed Loan Facility. The new mandate letter requires the New Arrangers to use commercially reasonably efforts to arrange the New Project Loan Facility, and is subject to a number of conditions precedent, including the credit committee and other internal approvals of each of the New Arrangers, the finalization of a facility agreement and related documents, certain corporate restructuring transactions, the New Arrangers' financial and continued technical due diligence of the Company, any other obligor and Project 1, and the sale of, and receipt of necessary regulatory approvals for, Africa Wide's diluted interest in Maseve to a qualified BEE entity. Mnombo is currently documented in the new mandate letter as the qualified BEE entity for this sale transaction. Should the Company choose to sell Africa Wide's diluted interest in Maseve to a different qualified BEE entity to replace Africa Wide, the approval of the New Arrangers would be required. The New Project Loan Facility will require, among other conditions, the Company to provide an estimated $75 million cost overrun facility, to implement a metal hedging program, to guarantee the obligations of Maseve, to obtain a guarantee from Mnombo, to pledge to the New Arrangers the Company's interest in the capital of Maseve and the Company's interest in the Waterberg Projects and to satisfy specified financial tests going forward.

There is no certainty that the Company will be able to successfully complete the New Project Loan Facility. As of the date of this MD&A, no binding commitments have been signed by the New Arrangers with respect to the New Project Loan Facility. The New Arrangers are under no obligation to provide the New Project Loan Facility on the terms described in this MD&A, or at all. Failure by the Company to complete the New Project Loan Facility or alternative financing for Project 1, or to provide its share of required funding may result in the delay or indefinite postponement of exploration, development, or production on any or all of the Company's properties, or even a loss of property interests.

The issuance of additional equity capital, if available, to fund project capital requirements, may result in substantial dilution to existing shareholders and would require the approval of the New Arrangers.

Project 1 - Labour Relations

There has recently been significant labour unrest and demands for higher wages by certain labour groups across the gold and platinum mining industries in South Africa. Both legal and illegal or "unprotected" strikes have occurred at several mines since the beginning of August 2012. In limited cases, wage increases have been agreed to by the management of some mining companies. To date, the Company has seen no adverse labour action on its site at the Project 1 mine. There can be no assurance that the Company may not have significant labour issues that affect schedules and costs.

The Company has worked closely with local communities and human resource specialists Requisite Business Solutions (Pty) Ltd. for several years in order to create a database of local persons interested in work at the Project 1 mine, including their skill and experience details. The Company has set a minimum target of 30% local employment for the mine, including persons under the employ of contractors. At present approximately 21% of the onsite workforce is comprised of local persons from the surrounding communities.

The primary union at Project 1 representing the workers of underground mining contractor JIC is the National Union of Mineworkers (" **NUM** "). The Company maintains an active dialogue with JIC, NUM and its own employees. JIC recently agreed to reasonable terms with the National Union of Mineworkers for a labour contract at the Project 1 platinum mine for a two year period to September 2015. In the future, should higher salaries and wages occur across the industry, the Company will likely be required to comply with higher pay bands, and an increase in labour costs, and therefore higher operating costs could occur. See "Risk Factors" in the Company's AIF.

Projects 1 and 3 - Mineral Resources and Reserves

The Company provided a statement of mineral reserves for Project 1 in the 2009 UFS and an updated statement of mineral resources for Project 1 in a NI 43-101 technical report dated November 20, 2009 entitled "An Independent Technical Report on Project Areas 1 and 1A of the Western Bushveld Joint Venture (WBJV) Located on the Western Limb of the Bushveld Igneous Complex, South Africa" (the " **Project 1 Report** "). An updated NI 43-101 technical report dated August 31, 2010 entitled "Technical Report on Project 3 Resource Cut Estimation of the Western Bushveld Joint Venture (WBJV) Located on the Western Limb of the Bushveld Igneous Complex, South Africa" (the " **Project 3 Report** ") was later filed with respect to Project 3. Project 1 hosts an estimated 2.801 million measured four element or "4E" ounces of platinum, palladium, rhodium and gold (14.067 million tonnes @ 6.19 grams/tonne (" **g/t** ")), 5.361 million indicated 4E ounces (30.392 million tonnes @ 5.49 g/t) and 0.047 million inferred 4E ounces (0.176 million tonnes @ 8.33 g/t). Project 3 hosts an estimated 1.939 million indicated 4E ounces (11.104 million tonnes @ 5.43 g/t) and 0.076 million inferred 4E ounces (0.443 million tonnes @ 1.47 g/t). Of the mineral resources stated above for Project 1, there are 1.756 million 4E ounces (11.764 million tonnes @ 4.64 g/t) categorized as proven mineral reserves and 2.91 million 4E ounces (19.782 million tonnes @ 4.57 g/t) categorized as probable mineral reserves. Mineral reserves and mineral resources reported above are from combined Merensky and UG2 reef tonnes. The Company will hold a 77.49% interest in the 4E ounces attributable to Project 1 and Project 3 through its percentage shareholding in Maseve. This interest could increase by a further 1.49% pending the outcome of the arbitration process now underway with Africa Wide as described above. In the event of the planned sale of Africa Wide's diluted interest in Maseve into an alternative, qualified BEE Company, also as described above, the Company's interest in Maseve would then be reduced accordingly by the percentage points of interest sold. Additional information regarding grades, prill splits, sampling, reserve and resource calculations and risk factors can be found in the technical reports described above as filed on SEDAR at www.sedar.com and on EDGAR at www.sec.gov .

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

Cautionary Note to U.S. Investors with respect to the information above: The Company uses the terms "measured resources," "indicated resources," and "inferred resources," which are recognized and required by Canadian regulations but not recognized by the SEC. "Resources" are not "reserves" and so do not have demonstrated economic viability. Inferred resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Furthermore, under Canadian rules, estimates of inferred resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that measured and indicated mineral resources will ever be converted into reserves or that part or all of an inferred resource exists or is economically or legally minable. In the following tables, the Company also presents proven and probable reserves calculated under NI 43-101, which differs from the standards of SEC Industry Guide 7. In addition, while disclosure of contained ounces in a resource is permitted disclosure under Canadian securities laws, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measurements.

Accordingly, the disclosure below may differ materially from the reserve estimates and other disclosures that would be provided by a U.S. public company.

Projects 1 and 3 - History of Acquisition

On October 26, 2004, the Company entered into a joint venture agreement forming the WBJV among the Company (37% interest held through PTM RSA), Anglo American Platinum Limited (" **Anglo** ") (37% interest held through its subsidiary RPM), and Africa Wide (26% interest held directly) in relation to a platinum exploration and development project on combined mineral rights covering approximately 67km ^{2} on the Western Bushveld Complex of South Africa. The WBJV property was divided into three distinct project areas, namely Projects 1, 2 and 3. In April 2007, Anglo contributed an additional 5km ^{2} area of prospecting rights into the WBJV. Africa Wide was subsequently acquired by Wesizwe, a Johannesburg Stock Exchange-listed company, in September 2007.

On December 8, 2008, the Company entered into certain agreements to consolidate and rationalize the ownership of the WBJV (the " **Consolidation Transaction** "). On April 22, 2010, the Consolidation Transaction was completed and the WBJV was dissolved. As a result Wesizwe retained 100% of Project 2 and Maseve obtained 100% of Projects 1 and 3. The combined area covered by the mineral rights for Projects 1 and 3 held through Maseve comprises approximately 47km ^{2} of the original 72km ^{2} .

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

Through the Consolidation Transaction the Company acquired the Maseve Subscription Right entitling it to subscribe for a further 19.25% interest in Maseve, from treasury, in exchange for a subscription amount of R408.81 million. On January 14, 2011, the Company exercised the Maseve Subscription Right in the amount of R408.81 million (approximately $59 million at the time), thereby increasing its effective shareholding in Maseve to 74%. The subscription funds were placed in escrow for application towards Africa Wide's 26% share of expenditures for Projects 1 and 3 (the " **Escrowed Maseve Funds** "). The Escrowed Maseve Funds were exhausted against Africa Wide's share of Project 1 expenditures in November 2013.

As a result of their decisions on October 18, 2013 and March 3, 2014 to not fund their approximately US$21.8 million and US$21.52 million share of approved cash calls as described above, and determined in accordance with the dilution provisions of the Maseve Shareholders Agreement, the Company estimates that Africa Wide will dilute from 26% to approximately a 17.1% interest in Maseve and therefore Project 1 and Project 3, and as a result the Company will see an increase in its share of Maseve to approximately an 82.94% interest. The final dilution to Africa Wide will be determined in accordance with an arbitration now in process. As discussed above the Company plans to sell diluted percentage interests in Maseve to an alternative, qualified BEE company to comply with the empowerment aspects of the MPRDA. See further details at "Project 1 and Project 3 - Africa Wide Dilution" above.

Under the terms of the Consolidation Transaction agreements, RPM held a 60-day right of first refusal on the sale of ore or concentrate produced from Project 1, Project 2 and Project 3. On September 5, 2012, Maseve received notice from RPM that RPM would exercise its right of first refusal to enter into an agreement with Maseve on terms equivalent to terms agreed to by Maseve with another commercial off-taker for the planned sale of concentrate produced from Project 1. A formal off-take agreement between RPM and Maseve was executed in April 2013.

Waterberg JV Project, South Africa

The Waterberg JV Project is comprised of a contiguous granted prospecting right area of approximately 255km ^{2} located on the North Limb of the Bushveld Complex, approximately 70kms north of the town of Mokopane (formerly Potgietersrus).

In October 2009, PTM RSA entered into an agreement (the " **JOGMEC Agreement** ") with JOGMEC and Mnombo whereby JOGMEC could earn up to a 37% participating interest in the Waterberg JV Project for an optional work commitment of US$3.2 million over four years, while at the same time Mnombo could earn a 26% participating interest in exchange for matching JOGMEC's expenditures on a 26/74 basis (US$1.12 million). See further details at "Waterberg JV Project - History of Acquisition" below.

Waterberg JV Project - Activities in the period ended February 28, 2014

Drilling on the Waterberg JV Project area has resulted in the inferred mineral resources discussed below. After mid-September 2013, drilling had stopped on the property and engineering work had commenced, leading to the announcement of a positive Independent Preliminary Economic Assessment (" **PEA** ") on February 14, 2014. The Waterberg JV Project has now advanced to the pre-feasibility stage of development.

In April 2012, JOGMEC completed its US$3.2 million earn in requirement to earn a 37% interest in the Waterberg JV Project. Following JOGMEC's earn-in the Company funded Mnombo's 26% share of costs for US$1.12 million and the earn-in phase of the joint venture ended in May 2012.

Since May 2012 to February 28, 2014 an additional US $19.9 million has been spent on the joint venture. The Company has funded the Company's and Mnombo's combined 63% share of this work for a cost of US $12.5 million with the remaining US $7.4 million funded by JOGMEC. As of February 28, 2014 an amount of US $0.052 million in advances is due from JOGMEC against its 37% share of approved joint venture work to be completed in fiscal 2014.

On February 18, 2014 the joint venture partners approved a further US$350,000 budget for additional drilling to the west of the current resource area in search of down dip extensions to the "T" and "F" layers in areas not previously drilled. At the time of writing this work is underway with one rig drilling these targets. A further 2014 budget is being developed by the Company and the technical committee for the joint venture at this time. This further budget is expected to include infill drilling to increase the confidence level of the current resource as well as pre-feasibility modelling and engineering. The Company anticipates a new partner to the joint venture and the technical committee in mid-2014 as JOGMEC is expected to sell its interests to a qualified Japanese company. See more detail on this at "Waterberg JV Project - History of Acquisition" below.

The PEA announced on February 14, 2014 indicated positive results and recommended the project advance to the pre-feasibility stage of development. The independent PEA on the Waterberg JV Project was completed by international and South African engineering firm WorleyParsons. Details of the PEA include:

- Steady state production of 655,000 ounces of platinum, palladium and gold, "3E";
- A two year construction period planned in 2016 to 2018;
- A Project post-tax NPV (7.5% discount rate) of 5.1 billion Rand or US$509 million (10R/US$);
- Peak Funding of 8.85 billion Rand or US$885 million (10R/US$);
- Major Risks to be assessed at pre-feasibility including smelting plans, water and power delivery and geotechnical work for mine design along with normal increased resource, metallurgical and cost confidence levels; and
- Opportunities include significant resource expansion, optimization of mine plans, mine ramp up profiles, increased metallurgical recoveries and smelter terms and consideration of adjacent deposit exploration.

An NI 43-101 Technical report entitled "Waterberg Mineral Project Preliminary Economic Assessment" dated effective February 14, 2014 has been filed on SEDAR and was prepared by Dr. Michael Roberts, MSc, PhD, SAIMM of Worley Parsons TWP and Kenneth Lomberg, B.Sc. (Hons) Geology, B. Com., M. Eng. Pr.Sci.Nat., MGSSA, of Coffey Mining (SA) Pty Ltd.

An updated independent resource estimate for the Waterberg JV Project and an initial independent resource estimate for the Waterberg Extension Project are in process at the time of writing this MD&A and are expected to be complete and announced within the next few weeks. Within 45 days of such announcement the Company will file on SEDAR the NI 43-101 Technical Reports supporting the disclosed resource estimates.

Waterberg JV Project - Mineral Resources

On September 5, 2012 the Company announced an initial mineral resource for the Waterberg JV Project property. The details are contained in the technical report entitled “Updated Exploration Results and Mineral

Resource Estimate for the Waterberg Platinum Project, South Africa” located on the Northern Limb of the Bushveld Complex, with an effective date of November 5, 2012 (the “ **Waterberg Report** ”), prepared by Kenneth Lomberg, B.Sc. (Hons) Geology, B. Com., M. Eng. Pr.Sci.Nat., MGSSA, of Coffey Mining (SA) Pty Ltd. (“ **Coffey** ”).

On February 1, 2013 the Company announced an updated inferred mineral resource estimate on the Waterberg JV Project property. On March 18, 2013 the Company filed the associated National Instrument 43-101 technical report. The report, entitled “Revised and Updated Mineral Resource Estimate for the Waterberg Platinum Project, South Africa (Latitude 23° 22′ 01”S, Longitude 28° 49′ 42”E)” is dated effective February 1, 2013 and was prepared by Kenneth Lomberg, B.Sc. (Hons) Geology, B. Com., M. Eng. Pr.Sci.Nat., MGSSA, of Coffey, supporting the disclosure of the updated inferred mineral resource estimate.

On September 3, 2013 the Company announced a further updated inferred mineral resource estimate on the Waterberg JV Project property. This latest estimate is based on exploration and drilling results to the end of July, 2013. The updated inferred mineral resource estimates 167 million tonnes grading 3.26 grams per tonne of platinum, palladium and gold (“2PGE+Au”) for a total of 17.523 million ounces. Significant copper and nickel credits are also present. On October 17, 2013 the Company filed the associated National Instrument 43-101 technical report. The report, entitled “Revised and Updated Mineral Resource Estimate for the Waterberg Platinum Project, South Africa (Latitude 23° 22′ 01”S, Longitude 28° 49′ 42”E)” is dated effective September 2, 2013 and was prepared by Kenneth Lomberg, B.Sc. (Hons) Geology, B. Com., M. Eng. Pr.Sci.Nat., MGSSA, of Coffey Mining (SA) Pty Ltd. The report supports the disclosure of the updated inferred mineral resource estimate. (See the resource details and metal splits in the table below).

The shallowest edge of the known deposit on the Waterberg JV Project property is on the T2 layer at approximately 130 metres below surface. All resources estimates for the Waterberg JV Project property have been restricted to 1,000 metres vertical as a preliminary economic cut-off. All layers remain open to depth beyond the resource model. The deposit is 5.5kms long on the Waterberg JV Project property and is limited to the north by the property boundary. The deposit remains open along strike to the north beyond the Waterberg JV Project boundary extending on to prospecting rights where Platinum Group holds an 87% effective interest with the balance held by a private BEE partner. See “Waterberg Extension Project” below.

Resource Details

The latest resource was calculated using 111 bore holes with a total of 301 pierce points including deflections. The drill intersection data was supplied to Coffey, independent consultants. The resource model was created by Coffey and a number of iterations were done to confirm the validity.

Grade estimation was completed using IDW2 methodology and studied at various cut-off grades. The previous split of the FH and FP layers were merged into one F zone. The average thickness was calculated for the T zones that have distinct rock layer characteristics. The F zone is located consistently near the floor of the Bushveld Complex and is associated with an olivine rich rock layer and the average thickness of 3.0 metres to 30 metres was defined by a grade cut-off. An area of F layer related to an interpreted depression in the floor rocks where thickness of the mineralization is greater than 12 metres has been given the name “Super F”. This zone will be considered separately for larger scale underground mining methods in the ongoing PEA.

Inferred 2PGE+Au Resource Estimate, August 29, 2013

The three main mineralized layers for which an inferred mineral resource estimate is declared are presented below (as at September 2, 2013):

	Thickness M	Tonnes Mt	Pt (g/t)	Pd (g/t)	Au (g/t)	2PGE+Au (g/t)	Pt:Pd:Au	2PGE+Au (koz)	Cu (%)	Ni (%)	Cu (t)	Ni (t)
T1	2.30	8.50	1.04	1.55	0.47	3.06	34:51:15	842	0.17	0.10	14,500	8,400
T2	3.77	39.16	1.16	2.04	0.84	4.04	29:50:21	5,107	0.18	0.10	69,400	37,600
T Total	3.38	47.66	1.14	1.95	0.77	3.86	30:50:20	5,948	0.18	0.10	83,900	46,000
F Total	3.0 to 30.0	119.05	0.91	1.98	0.13	3.02	30:65:5	11,575	0.07	0.17	78,800	202,200
Total		166.71	0.98	1.97	0.32	3.26	30:60:10	17,523	0.10	0.15	162,700	248,200

Note: The T1 and F layers are reported with a 2g/t 2PGE+Au cut-off
The T2 layer is reported based on the selection of a mining cut of a minimum of 2 metre consistently across all deflections

Notes:

(1) The Qualified Person for the information in the table above, derived from the Waterberg Report, is Kenneth Lomberg, who was independent of the Company as of the date of the Waterberg Report.

(2) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected be environmental, permitting, legal, marketing or other relevant issues. The quantity and grade of reported inferred mineral resources in this estimate are conceptual in nature. There is no guarantee that all or any part of the mineral resource will be converted to a mineral reserve.

Cautionary Note to U.S. Investors with respect to the information in the tables above and discussion: In the preceding tables, the Company presents “inferred resources,” which are recognized and required by Canadian regulations but not recognized by the SEC. “Resources” are not “reserves” and so do not have demonstrated economic viability. Inferred resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility.

Furthermore, under Canadian rules, estimates of inferred resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that part or all of an inferred resource exists or is economically or legally minable. In addition, while disclosure of contained ounces in a resource is permitted disclosure under Canadian securities laws, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without references to unit measurements. Accordingly, the disclosure below may differ materially from the disclosure that would be provided by a U.S. public company.

In order to be considered as a mineral resource estimate, it is necessary to consider “the reasonable prospects for economic extraction” of the mineral resource under consideration. For the Waterberg JV Project property, a high level economic analysis was conducted which confirmed that the estimated mineral resource at the Waterberg JV Project met this requirement.

Waterberg JV Project - History of Acquisition

PTM RSA applied for the original 137km ^{2} prospecting right for the Waterberg JV Project area in 2009 and in September 2009 the DMR granted PTM RSA a prospecting right until September 1, 2012 for the requested area. Application for the renewal of this prospecting right for a further three years has been made. Under the MPRDA, the prospecting right remains valid pending the grant of the renewal.

In October 2009, PTM RSA entered into the JOGMEC Agreement with JOGMEC and Mnombo whereby JOGMEC could earn up to a 37% participating interest in the Waterberg JV Project for an optional work commitment of US$3.2 million over four years, while at the same time Mnombo could earn a 26% participating interest in exchange for matching JOGMEC’s expenditures on a 26/74 basis (US$1.12 million).

On November 7, 2011, the Company entered into an agreement whereby the Company acquired 49.9% of the issued and outstanding shares of Mnombo from its shareholders in exchange for cash payments totaling R1.2 million and agreeing to pay for Mnombo’s 26% share of project costs to feasibility (bringing the Company’s share of project costs to 63%). When combined with the Company’s 37% direct interest in the Waterberg JV Project (taking into consideration the JOGMEC earn-in), the 12.974% indirect interest held by the Company through Mnombo brings the Company’s effective interest in the Waterberg JV Project to 49.974% . Mnombo remains over 50% held for the benefit of historically disadvantaged persons or historically disadvantaged South Africans (“ **HDSAs** ”), as defined respectively by the MPRDA and the Amendment of the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry, 2010 (" **Mining Charter** ") and is a qualified BEE corporation under the *Broad-Based Black Economic Empowerment Act* , 2003 (the “ **BEE Act** ”).

In April 2012, JOGMEC completed its US$3.2 million earn in requirement to earn a 37% interest in the Waterberg JV Project. Following JOGMEC’s earn-in the Company funded Mnombo’s 26% share of costs for US$1.12 million and the earn-in phase of the joint venture ended in May, 2012.

During 2012 the Company made application to the DMR to acquire three additional prospecting rights adjacent to the west (one prospecting right for 39km ^{2}), north (one prospecting right for 63km ^{2}) and east (one prospecting right for 16km ^{2}) of the existing Waterberg JV Project area. The farm to the east was added to the existing prospecting right by way of a section 102 legal amendment in January 2013. The farms to the west and north were granted October of 2013. These two prospecting rights are valid until October 1, 2018 and may each be renewed for a further period of three years thereafter. The three new prospecting rights cover a total area of 118km ^{2} , bringing the total combined area in the joint venture with JOGMEC and Mnombo to 255km ^{2} .

Under the terms of the JOGMEC Agreement any mineral products derived by the joint venture from the property are to be taken by each participant in proportion to its then participating interest in the joint venture. Provided JOGMEC or its nominee holds at least a 30% interest in the Waterberg JV Project, JOGMEC or its nominee has the exclusive right to direct the marketing of the mineral products of the other participants for a 10-year period from first commercial production on an equivalent to commercially competitive arm’s length basis and has the first right of refusal to purchase at prevailing market prices any mineral products taken by another participant as its share of joint venture output.

The Company has been advised by JOGMEC that a formal auction process has begun for the sale of JOGMEC's 37% interest in the Waterberg JV Project to a successful bidder from a group of qualified Japanese trading firms. This is in keeping with JOGMEC's mandate as determined by the Japanese Ministry of Economy, Trade and Industry. Subsequent to the discovery on the Waterberg JV Project a qualified Japanese firm nominated JOGMEC's interest in the Waterberg JV Project for sale. In accordance with the mandate, the nomination requires that JOGMEC initiate a formal auction and sale process. As a result, the Company anticipates a new Japanese firm will become a 37% joint venture partner in May or June 2014. The Company expects this new partner will participate in the Waterberg JV Project technical committee and in the formulation of a forward 2014 work program for the Waterberg JV Project.

Waterberg Extension Project

During early 2012 the Company applied to the DMR for further prospecting rights adjacent to the north and east of the existing and applied for joint venture area. This area of new prospecting rights known as the Waterberg Extension Project is not included in the pre-existing Waterberg JV Project property. The Company holds a direct 74% interest and Mnombo holds a 26% interest in this new Waterberg Extension Project area, leaving the Company with an 86.974% effective interest. During October of 2013 prospecting permits covering 489km^2 of the applied for Waterberg Extension Project area were granted. At the time of writing this MD&A a further 375km^2 of prospecting permit applications are in process with the DMR for addition to the Waterberg Extension Project, none of which are directly on the trend of the primary exploration target.

Waterberg Extension Project - Activities in the period ended February 28, 2014

In late March and early April 2013 the Company conducted a Fugro differential gravity and magnetic airborne survey in the Waterberg region. Approximately 2,500 line kms were flown at 100 metre and 200 metre spacing over and along strike from the known deposit area. Interpretation of the airborne gravity and magnetic surveys by the Company provide a clear target for drilling northward over approximately a further 20kms to 25kms. Physical prospecting activities on these new license areas commenced in October, 2013. Ground gravity and magnetic lines were completed and these support the interpretation of airborne data as described above. Multiple boreholes along strike had been drilled to February 28, 2014 with multiple drill holes intercepting F zone mineralization on the extension area. The Company has previously reported on the drilling completed to date on the Waterberg Extension Project. See the Company's news releases dated November 14, 2013, December 9, 2013 and March 4, 2014.

To date on the Waterberg Extension Project there have been two areas of focus for exploration drilling. The first priority area of drilling has been on the 5.0kms immediately adjacent and on strike to the north of the known 5.5km deposit on the Waterberg JV project. Highlights from recent drilling on the first priority area include:

- Hole WE-01 returned 10.5 metres grading 3.03 grams 3E per tonne, including 6.76 metres of 3.74 grams 3E per tonne;
- Hole WE-02 returned 15.63 metres grading 3.16 grams 3E per tonne, including 7.17 metres grading 4.52 grams 3E per tonne;
- Hole WE-08 returned 53.22 metres grading 5.26 grams 3E per tonne over 53.22 metres with an estimated true thickness of approximately 44 metres.
- Hole WE-017 returned 22.71 metres grading 2.69 grams 3E per tonne Including 9.50 metres of 4.31 grams 3E per tonne;

- Hole WE-019 returned 22.25 metres of 2.34 grams 3E per tonne including 10.19 metres of 3.76 grams 3E per tonne;
- Hole WE-22 returned 56.02 metres of 3.18 grams 3E per tonne including 22.0 metres of 4.11 grams 3E per tonne; and
- Hole WE-024 returned 37.00 metres of 2.08 grams 3E per tonne.

Recent drilling on the first priority area of the Waterberg Extension Project has now added 4.5kms of confirmed F zone mineralization to the north of the Waterberg JV Project area. A total of 24,551 metres in 31 holes have now been completed in this area. Based on the results of this drilling in the first priority area an initial independent resource estimate for the Waterberg Extension Project is in progress and is anticipated to be complete by the end of April, 2014. Drilling continues in this area with 12 rigs active at present.

The second priority area for drilling on the Waterberg Extension Project is to the far north of the project area, approximately 15kms to 30kms north of the Waterberg JV Project. A new layer of mineralization (named the "N1" layer) has been intercepted in Hole WE-014 with assays of 4.02 metres grading 3.72 g/t 3E including 2.66 metres of 5.05 g/t 3E. A 250 metre offset hole with similar geology has assays pending. Drilling in this area is ongoing at present with one rig active.

The N-1 layer is the first mineralized layer identified in the northern part of the project. The N1 layer in WE-014 is a new type of platinum and palladium mineralization for the Waterberg region that is located higher in the Bushveld sequence compared to the T and F layers. The geology of the northern area, 15kms north of the current resource, appears to be different than the main Waterberg Joint Venture and the first 5kms of the Waterberg Extension Permits north of the deposit. Holes WE-9, 10, 11, 12, 13 and 15 all intersected Bushveld Complex rocks but did not intersect significant mineralization. These regional exploration holes tested the northern block over 10kms and may not have tested the section of the Complex for the newly discovered mineralization.

NON-MATERIAL MINERAL PROPERTY INTERESTS

Other non-material mineral property interests of the Company include the War Springs and Tweespalk projects located in South Africa, the Sable Joint Venture (as defined below) and the Company's various mineral property interests in Ontario, Canada and Northwest Territories, Canada. These non-material property interests are not, individually or collectively, material to the Company and are described below.

War Springs and Tweespalk Properties, South Africa

Since 2005, the Company has been actively exploring its War Springs and Tweespalk projects, which are located on the Northern Limb of the Bushveld Complex in South Africa. The War Springs property covers 22km ^{2} and is located 24km south of the Anglo open pit Mogalakwena Mine (formerly the "PPRust platinum mine") along the same "Platreef" section of the Bushveld Complex. Exploration has consisted of diamond drilling, geophysical surveys and ground prospecting. In March 2008, the Company reported an inferred resource on a 100% basis of 1.676 million ounces 2PGE+Au at a grade of 1.11 g/t (0.25 g/t Pt, 0.78 g/t Pd 0.07 g/t Au), with a minor credit for copper and nickel. See "Cautionary Note to U.S. Investors". Additional information regarding grade, prill splits, sampling and resource calculations can be found in an NI 43-101 technical report dated June 18, 2009 entitled "Revised Inferred Mineral Resource Declaration War Springs (Oorlogsfontein 45K2), Northern Limb Platinum Property, Limpopo Province, Republic of South Africa" filed on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

Subject to vendor payments due upon a decision to mine, the Company holds a 70% interest in the War Springs project and Africa Wide and Taung Platinum Exploration (Pty) Ltd. (" **Taung Platinum** ") each hold a 15% interest carried to feasibility study. Taung Platinum is an affiliated company of Moepi Platinum (Pty) Ltd., which is Platmin Ltd.'s BEE partner in South Africa.

In March 2009, the Company announced an option agreement with JOGMEC, pursuant to which JOGMEC may earn 35% (one half of the Company's interest) of Platinum Group's interest in the War Springs project by incurring US$10 million in expenses over five years. Since March 2009 a total of 17,222 metres of drilling in 20 boreholes have been completed on the War Springs project with JOGMEC funding. Total expenditures incurred by JOGMEC to August 31, 2011 on War Springs amounted to approximately $2.9 million. During the year ended August 31, 2012, the drilling program was completed and JOGMEC indicated that it does not plan to fund further work on this project. The Company is considering further work or possible joint ventures for the project at this time.

Sable Joint Venture, South Africa

During 2009, the Company acquired prospecting rights in South Africa on the Western Limb of the Bushveld Complex, west of Pretoria and then entered into a joint venture agreement (the " **Sable Joint Venture** ") with Sable Platinum Mining (Pty) Limited (" **Sable Platinum** "). Sable Platinum is earning a 51% interest in exchange for funding approximately R 42.0 million (approximately $6 million in 2009) in work on the project, while a private BEE group will hold 26%. The Company was the operator of the project until mid-March 2012, after which time operatorship was transitioned to Sable Platinum. Since taking over as operator Sable Platinum has not completed any significant work on the project due to their own financial constraints.

Canadian Properties

Mineral property acquisition and exploration costs deferred during the period ended February 28, 2014 on projects in Canada totalled $0.2 million (February 28, 2013- $Nil).

Thunder Bay and Sudbury, Ontario

The Company maintains various mineral rights positions in the Lac des Iles and Thunder Bay North areas of the Thunder Bay Mining District, Ontario as a strategic holding against increasing prices for palladium and platinum. The core long term holding in the Lac des Iles area consisting of the 8 claim Shelby Lake and South Legris properties has been maintained. These 8 claims are subject to 2.0% net smelter return (" **NSR** ") royalties, which the Company may buy back. Land holdings by the Company within the Thunder Bay Mining District at the time of this MD&A total 276km^{2}. In the Sudbury Mining District, the Company retains a majority interest in an additional 35km^{2} of mineral rights at the Agnew Lake property.

To date, five properties staked or acquired since 2011 have been drill tested for younger intrusive targets and a new type of platinum mineralization found in the district based on airborne geophysics survey results, geological ground work, geochemistry and compilation of historic data. A total of 4,274 metres have been drilled in 17 holes, of which 2,891 metres in nine holes have been drilled on 100% owned properties.

To date none of the drilling by the Company on the younger intrusive targets has intersected the new type of platinum mineralization found in the district. No mineral reserves or mineral resources have been established on any of the properties. The Company is now considering its potential programs for the remainder of fiscal 2014 in Thunder Bay in context of its other Canadian and global exploration opportunities.

At Agnew Lake 12km^{2} of land titles have been forfeited during the period. The Company retains the core group of claims that contains the showings of known PGE mineralization.

Providence, Northwest Territories

In September 2011, the Company purchased the Providence Copper-Nickel-Cobalt-Platinum Group Metals (" **Cu-Ni-Co-PGM** ") property from Arctic Star Exploration Corp. (" **Arctic Star** ") for a payment of $50,000 and a 1.0% NSR royalty. During the prior year the core 11 (eleven) of the 13 original claims have been converted to lease and annual rent payments of $28,021 (due June 30 annually) were made. Total acquisition costs to date are $106,092.

During the period ending February 28, 2014, no exploration costs were incurred on the Company's Northwest Territories exploration program. Expenditures from the preceding fiscal year included camp maintenance and lease rent payments. The Company has an active land use permit to conduct exploration on the property and maintain a camp.

Since acquisition, the Company has completed a total of 3,150 metres of diamond drilling in 14 holes. Exploration programs in the year to date consisted of camp supply, and diamond drilling with assays. Work on the property commenced in mid-March, 2012. A step out drill program to further define the extents of known Cu-Ni-Co-PGM mineralized zone was completed by August 15, 2012.

Ni-Cu-Co-PGM grade values are consistent with near surface (maximum 115 metre vertical depth) massive sulphide intercepts by previous operators and the mineralization remains open at depth. Significant grades from disseminated sulphide mineralization intercepts were identified in the 2012 drilling program. No mineral reserves or mineral resources have been established on any of the properties. Currently the company is assessing exploration results to date in order to make a decision on further exploration work.

Newfoundland and Labrador

Since August 2013 the company has secured ground totaling 708km ^{2} in southwestern Labrador within a newly emerging Cu-Ni-PGE exploration area. Located 140km SSE of Churchill Falls, Labrador, the Mealy and Atikonak Projects cover a Paleoproterezoic aged layered mafic intrusive suite of rocks that host primary sulphide Cu-Ni-PGE mineralization on an adjacent third party property within the same intrusive suite.

On August 9, 2013 the Company entered into an option agreement with Benton Resources Corp. to earn in 71% interest on the 262km ^{2} Mealy Lake Property, southwestern Labrador, in exchange for the Company making a cash payment of $51,000 on signing and incurring $2.4 million in exploration expenditures over four years.

On January 17, 2014 the Company entered into option agreement with Ryan Kalt by which the Company can earn a 100% interest in the 208km ^{2} adjoining ground to the Mealy Project by making a cash payment of $40,000 upon signing and incurring $400,000 in exploration expenses over 4 years.

On January 23, 2014 the Company entered into option agreement with 1191557 Ontario Corp. to earn a 71% interest on the 144km ^{2} Mealy (2) Property by making a cash payment of $40,000 upon signing and incurring $1.3 million of exploration expenditures over four years. In addition to the optioned ground at the Mealy Project, the Company also staked the 45km ^{2} Atikonak Property in 2013 and an additional 49km ^{2} of ground contiguous to optioned ground as part of the Mealy Project. Total acquisition cost of the staking to date is $22,500. The Atikonak Property was staked based on favorable geology and positive results from the regional compilation of public data for the area.

To date compilation of available public data has been completed and a re-analysis of original government lake bottom sediment sample pulps for platinum and palladium has been completed. Results of the work prompted the staking of the 100% owned ground and the addition of the two option agreements in 2014 to secure favorable ground in this grass roots exploration play.

At time of writing the Company is in the process of planning the 2014 summer work program.

3. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

A) Results of Operations

Three Months Ended February 28, 2014

For the quarter ended February 28, 2014, the Company had a net loss of $3.74 million (February 28, 2013 – net income of $0.28 million). This loss is largely due to share based compensation issued during the period. General and administrative expenses totaled $3.1 million (February 28, 2013 - $3.4 million). A foreign exchange loss of $0.13 million was recorded for the quarter (February 28, 2013 – gain of $1.7 million), with the loss due to a weakening Rand which was partially offset by an increase in the value of the American dollars held. Other comprehensive loss for the quarter was $0.84 million (February 28, 2013 –$5.06 million loss) with the difference due to a deterioration of the Rand balances during the period. At August 31, 2013, the Rand was valued at approximately 9.72 Rand to the Canadian Dollar versus 9.69 at February 28, 2014.

Interest earned in the quarter totaled $1.7 million as compared to $1.9 million in the comparative quarter as similar cash balances were held in each quarter.

Six Months Ended February 28, 2014

For the six months ended February 28, 2014, the Company had a net loss of $3.3 million (February 28, 2013 – net loss of $1.4 million). General and administrative expenses totaled $4.5 million (February 28, 2013 - $4.2 million) with the increase due to an increase in overall expenditures and size of the Company. A foreign exchange gain of $0.75 million was recorded during the period (February 28, 2013 – gain of $1.52 million), with the gain being due to the stronger Rand at period end when the Company’s cash balances held in Rand were translated into Canadian Dollars. Other comprehensive income for the period was $2.0 million (February 28, 2013 –$5.1 million loss) with the gain being mainly due to the translation of net assets carried in Rand in our South African subsidiaries to their Canadian Dollar value at period end.

Interest earned in the six months ended February 28, 2014 totaled $2.7 million as compared to $2.6 million in the comparative period in the prior year.

Quarterly Financial Information

The following tables set forth selected quarterly financial data for each of the last eight quarters.

(In thousands of dollars, except for share data)

Quarter ended (in thousands of dollars, except for share data)	**Feb. 28, 2014**	**Nov. 30, 2013**	**Aug. 31, 2013**	**May 31, 2013**
Interest income [1]	$ 1,730	$ 976	$ 1,056	$ 1,376
Net income (loss) [2]	(3,739)	464	(1,355)	(10,015)
Basic earnings(loss) per share [3]	(0.01)	0.00	(0.01)	(0.03)
Total assets [4]	543,632	386,446	389,980	375,025

Quarter ended ($000s, per share data)	**Feb 28, 2013**	**Nov. 30, 2012**	**Aug. 31, 2012**	**May 31, 2012**
Interest income (1)	$ 1,984	$ 586	$ 823	$ 959
Net (loss) income (2)	279	(1,715)	(3,492)	(2,040)
Basic earnings (loss) per share (3)	0.00	(0.01)	(0.02)	(0.01)
Total assets (4)	408,239	231,055	243,734	250,505

Explanatory Notes:

(1) The Company earns interest income from interest bearing accounts and deposits. The balance of funds held in Rand can also affect the amount of interest earned, as Rand balances earn significantly higher rates of interest than can be earned at present in Canadian Dollars. Interest income has increased relative to cash on hand.

(2) Net (loss) income by quarter is often materially affected by the timing and recognition of large non-cash items. In the current quarter there was share-based compensation as opposed to the prior period and comparative period in the prior year. Net (loss) income is also significantly impacted by the movement of the Rand against the Canadian Dollar as the Company continues to hold a significant portion of its cash in Rand, which must be translated to Canadian Dollars at the end of each reporting period.

(3) Basic loss per share is 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) At February 28, 2013 and 2014, the Company's assets increased compared to the prior period as equity offerings closed in the respective quarters.

B) Dividends

The Company has never 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 its business.

C) Trend Information

Other than the financial obligations as set out in the table provided at item F) below, there are no demands or commitments that will result in, or that are reasonably likely to result in, the Company's liquidity either increasing or decreasing at present or in the foreseeable future. The Company will require additional capital in the future to meet both its contractual and non-contractual project related expenditures. It is unlikely that the Company will generate sufficient operating cash flow to meet all of these expenditures in the foreseeable future. Accordingly, the Company will need to raise additional capital through debt financing, by issuance of securities, or by a sale or partnering of project interests in order to meet its ongoing cash requirements. In December 2013, the Company closed a $175 million equity financing for 148.5 million shares at a price of $1.18 per share. See discussions at item 3. A) "Results of Operations" above and at item F) "Liquidity and Capital Resources" below. On November 8, 2013 the Company entered into a new mandate letter with the New Arrangers for the US$195 million New Project Loan Facility. See further details at "Project 1 - New Project Loan Facility" above.

D) Related Party Transactions

During the six months ended February 28, 2014 an amount of $219 (February 28, 2013 - $75) was paid to independent directors for directors' fees and services.

During the six months ended February 28, 2014, the Company provided accounting, secretarial and reception services at market rates for day-to-day administration and accounting to Nextraction Energy Corp. (" **NE** "), a company with three directors in common (R. Michael Jones, Frank Hallam and Eric Carlson). Fees received have been credited by the Company against its own administrative costs. The Company accrued service fees of $20 (February 28, 2013 - $53) during the period from NE. Amounts receivable at the end of the period include an amount of $195 (February 28, 2013 – $98) due from NE.

During the six months ended February 28, 2014, the Company provided accounting, secretarial and reception services at market rates for day-to-day administration and accounting to West Kirkland Mining (" **WKM** "), a company with two directors in common (R. Michael Jones, Frank Hallam). Fees received have been credited by the Company against its own administrative costs. The Company received service fees of $51 (February 28, 2013 - $51) during the period from WKM. Amounts receivable at the end of the period include an amount of $163 (February 28, 2013 – $60) due from WKM.

All of the above transactions are in the normal course of business and were completed and measured at estimated market rates.

E) Off-Balance Sheet Arrangements

The Company does not have any special purpose entities nor is it party to any off-balance sheet arrangements.

F) Liquidity and Capital Resources

On January 4, 2013, the Company issued 225,000,000 common shares at a price of $0.80 per common share, for aggregate gross proceeds of $180 million. Net proceeds to the Company were $168.9 million, after underwriters' fees and other expenses of the offering.

On December 9, 2013, the Company announced a bought deal financing for 148.5 million common shares of the Company at a price of $1.18 per share resulting in gross proceeds of $175.23 million. The offering closed December 31, 2013 with net proceeds to the Company after fees, commissions and costs of approximately $165 million.

At present the Company is using the balance of the proceeds from the above noted offerings to continue work at Project 1, the Waterberg Extension Project and at the Waterberg JV Project and for general working capital requirements.

As April 11, 2014 the Company held approximately $197 million in total cash on hand, which is estimated to be sufficient to fund the estimated general, exploration and development operations of the Company into early calendar 2015. However the Company does not have adequate funds to complete construction of the mine at Project 1. The Company requires additional financing from external sources, such as the planned New Project Loan Facility, in order to meet the requirements of its business plan through 2014 and carry out the future development of its projects.

On December 6, 2012 the Company announced that a syndicate of lead arrangers had obtained credit committee approval for the US$260 million Original Proposed Loan Facility for the construction of the Project 1 platinum mine. Closing and draw down of the Original Proposed Loan Facility was subject to the negotiation and execution of final documentation and satisfaction of conditions precedent.

On October 18, 2013 the 26% partner in the Project 1 platinum mine, Africa Wide, a subsidiary of Wesizwe, informed the Company that it would not be funding its approximate US$21.8 million share of a budget and cash call unanimously approved by the board of directors of Project 1 operating company Maseve. Africa Wide was also to be a guarantor and obligor to the above mentioned project loan facility. As a result of Africa Wide's decision, the Company anticipates that it will be required to fund 100% of the Maseve cash call.

On November 8, 2013 the Company entered into a new mandate letter with the New Arrangers for the US$195 million New Project Loan Facility. The new mandate letter is subject to the finalization of a facility agreement and, among other conditions, the New Lenders' financial and continued technical due diligence of the Company and the receipt of necessary regulatory approvals for the sale of Africa Wide's diluted interest in Maseve to a qualified BEE entity. The new mandate letter replaces the mandate letter and related documents prepared in connection with the Original Proposed Loan Facility. The new mandate letter requires the New Arrangers to use commercially reasonably efforts to arrange the New Project Loan Facility, and is subject to a number of conditions precedent, including the credit committee and other internal approvals of each of the New Arrangers, the finalization of a facility agreement and related documents, certain corporate restructuring transactions, the New Arrangers' financial and continued technical due diligence of the Company, any other obligor and Project 1, and the sale of, and the receipt of necessary regulatory approvals for, Africa Wide's diluted interest in Maseve to a qualified BEE entity. See further details at "Project 1 - New Project Loan Facility" above.

As a part of the New Project Loan Facility, the Company will be required to guarantee the obligations of Maseve. The Company will pledge to the New Arrangers its interests in the capital of Maseve and its interests in the Waterberg Projects. See "Risk Factors" in the Company's AIF.

There is no certainty that the Company will be able to successfully re-structure a project loan facility. As of the date of this MD&A, no binding commitments have been signed by the New Arrangers with respect to the New Project Loan Facility. The New Arrangers are under no obligation to provide the New Project Loan Facility on the terms described in this MD&A, or at all.

The completion of the New Project Loan Facility on the terms described in this MD&A, or at all, is subject to a number of risks, including, without limitation, risks relating to the ability of the Company to sell Africa Wide's diluted interest in Maseve to Mnombo or find an alternative, suitable BEE partner, regulatory requirements, litigation, changes in general market conditions, the condition of the Company or its properties, and economic, social or political conditions in South Africa. No assurances can be given that such facility will be consummated on any particular timeline or on the terms described herein, or at all. In addition, funding under the New Project Loan Facility, if consummated, is expected to be subject to certain conditions, including, without limitation, that the Company restructure certain of its holdings, secure additional equity financing, if required, as determined at the time of the financial close of the New Project Loan Facility, acquire and maintain all requisite permits and licenses and establish an agreed metals hedging program. The Company may be unable to satisfy such conditions on favourable terms, or at all. In particular, if the New Project Loan Facility is consummated, any inability of the Company, Africa Wide or any other joint venture partner to fund its required equity contributions thereunder will prevent funding and utilization of such facility and may result in a default thereunder, or in the case of Africa Wide or any other joint venture partner being unable or unwilling to fund, the Company may be required to fund the shortfall to avoid a default under such facility.

The completion and utilization of the New Project Loan Facility, if successfully completed, combined with the Company's cash on hand, will not fully fund the Company's business plan, including the construction of Project 1. The Company will be required to source additional financing by way of private or public offerings of equity or debt, or the sale of project or property interests, in order to complete the construction of Project 1 and have sufficient working capital for continued exploration on the Waterberg Projects, as well as for general working capital purposes. Failure by the Company to complete the New Project Loan Facility or alternative financing for Project 1, or to provide its share of required funding may result in the delay or indefinite postponement of exploration, development, or production on any or all of the Company's properties, or even a loss of property interests. In the event that adequate financing is not arranged and available to the Company in the short term, the Company will need to alter its business plan.

Accounts receivable at February 28, 2014 totaled $6.4 million (August 31, 2013 - $6.9 million) being comprised mainly of value added taxes refundable in South Africa, with expenditure advances being paid back in the quarter. Accounts payable and accrued liabilities at February 28, 2014 totaled $11.2 million (August 31, 2013 - $25.1 million).

Apart from net interest earned on cash deposits during the six months ended February 28, 2014 of $2.7 million (February 28, 2013 - $2.6 million), the Company had no sources of income. The Company's primary source of capital has been from the issuance of equity. At February 28, 2014 the Company had unrestricted cash and cash equivalents on hand of $203 million compared to $112 million at August 31, 2013 with the increase in cash due to the December 2013 equity financing. At February 28, 2014 the restricted cash balance had been exhausted, (August 31, 2013 - $10.16 million remained). To February 28, 2014 a cumulative total of $42 million (August 31, 2013 – $32 million) has been applied from restricted cash against Wesizwe's 26% share of project expenditures.

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

The following table discloses the Company's contractual obligations. The Company currently has no long term debt or loan obligations.

	Payments by period				
	< 1 years	**1 – 3 years**	**4 – 5 years**	**> 5 years**	**Total**
Lease obligations	$ 202	$ 1,329	$ 1,019	$ 493	$ 3,043
ESKOM – power	392	7,018	-	-	7,410
Magalies water	1,189	-	-	-	1,189
Insurance contracts	61	-	-	-	61
Concentrator plant and surface infrastructure	31,100	16,176	-	-	47,276
Mining development	41,540	39,064	-	-	80,604
Mining equipment	4,251	981	-	-	5,232
	$ 78,735	**$ 64,568**	**$ 1,019**	**$ 493**	**$ 144,815**

On March 26, 2013 the Company waived an outstanding condition precedent to a water off-take agreement with the Magalies Water Board for the long term supply of water to the Project 1 mine site. The agreement is now in effect. Pursuant to a 50/50 sharing agreement with Wesizwe, the Company will be responsible for the cost of regional infrastructure to deliver water to the Project 1 mine site in an amount not to exceed R73.0 million (approximately $7.56 million at February 28, 2014). In order to source water for its own nearby project Wesizwe will be required to pay for its 50% share of the cost as described above. Wesizwe indicated to the Company on November 11, 2013 that they will comply with the sharing agreement.

The above contracts are subject to the following estimated break fees in the event of cancellation:

Concentrator plant and surface infrastructure	$ 22,808
Mining development	20,898
Mining equipment	3,496
Other property expenditures	6,585
	$ 53,787

Break fees are estimated by means of contractual notice periods, work in progress costs and normal costs associated with the unwinding and disestablishment of certain contractors.

Outstanding Share Data

The Company has an unlimited number of common shares authorized for issuance without par value. At February 28, 2014, there were 551,271,542 common shares outstanding, 20,114,500 incentive stock options outstanding at exercise prices of $0.96 to $2.57. At April 11, 2014, there were 551,287,842 common shares outstanding and 20,024,500 incentive stock options outstanding. During the period ending February 28, 2014, the Company made no changes to the exercise price of outstanding options through cancellation and re-grant or otherwise.

4. OUTLOOK

At present Platinum Group is continuing with construction at Project 1. Prior to January 2014 the Company had withheld the execution of significant new contracts for Project 1 pending the completion of additional debt or equity financing. Africa Wide's failure to fund its share of Project 1 costs on an ongoing basis resulted in the need for the Company to restructure its financial plan for the completion of Project 1. See "Project 1 and Project 3 - Africa Wide Dilution", "Project 1 - New Project Loan Facility" and "Liquidity and Capital Resources" above, as well as the disclosure made under the heading "Risk Factors" in the Company's AIF, for further discussions.

On December 9, 2013, the Company announced a bought deal financing for 148.5 million common shares of the Company at a price of $1.18 per share resulting in gross proceeds of $175.23 million. The offering closed December 31, 2013 with net proceeds to the Company after fees, commissions and costs of approximately $165 million. The completion of this equity financing will allow the Company to recommence on many significant contracts and critical path items for Project 1.

The Company's key business objectives for calendar 2014 will be to restructure and close the New Project Loan Facility or other financing for Project 1, continue with the underground development and mine construction at Project 1 and continue exploration on both the Waterberg JV Project and the Waterberg Extension Project.

Commencement of Phase 2 development at Project 1 began in January 2013 and will continue to utilize the Company's cash on hand in measured stages until the proposed New Project Loan Facility or other financing is completed and in place. In the event that the New Project Loan Facility is not completed and available to the Company by mid-calendar 2014, the Company would likely need to alter its business plan. A first alternative business plan would be the sourcing and completion of alternative debt and/or equity financing in order to complete the existing Phase 2 development schedule, although there is no guarantee that such funding would be available to the Company. A second option would be to suspend Phase 2 development and to potentially sell ore from already established underground workings at Project 1. In this second scenario, a milling and concentrating facility would not be immediately built, and the construction of such facilities would be postponed until funding became available.

The Company plans to continue working on the Waterberg JV Project with its joint venture partners Mnombo and JOGMEC, or the successful bidder in the auction-process for JOGMEC's interest in the Waterberg JV Project, who will be providing 37% funding for that project, to conduct exploration. Exploration drilling on the Waterberg JV project and the Waterberg Extension Project is underway at present. A pre-feasibility study for the Waterberg JV Project has commenced and is in its early stages. Completion of the pre-feasibility study is scheduled for early 2015. The Company plans to continue with exploration drilling in 2014 on the Waterberg Extension Project with multiple drilling rigs.

5. CRITICAL ACCOUNTING ESTIMATES

The preparation of our consolidated financial statements in conformity with IFRS requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities, as well as income and expenses. The Company's accounting policies are described in note 2 of our audited annual consolidated financial statements for the year ended August 31, 2013.

Review of asset carrying values and impairment

In accordance with the Company's accounting policy, each asset or cash generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss is recognised to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use.

The determination of fair value less costs to sell and value in use requires management to make estimates and assumptions about expected production, commodity prices, reserves, operating costs, closure and rehabilitation costs and future capital expenditures. The estimates and assumptions are subject to risk and uncertainty; hence there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in the income statement.

Asset Retirement Obligations

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

Income and Resource Taxes

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

Determination of ore reserve and mineral resource estimates

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

6. 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 SEC and Canadian Securities Administrators requirements are recorded, processed, summarized and reported in the manner specified by the relevant securities laws applicable to the Company. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the applicable securities legislation is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls over Financial Reporting

No change in the Company’s internal control over financial reporting occurred during the six months ended February 28, 2014 that has materially affected, or is reasonably likely to materially affect, the issuer’s internal control over financial reporting.

7. OTHER INFORMATION

Additional information relating to the Company for the period ending February 28, 2014 may be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov . Readers are encouraged to review the Company's audited annual consolidated financial statements for the year ended August 31, 2013 together with the notes thereto as well as the Company's 2013 Annual Information Form.

LIST OF DIRECTORS AND OFFICERS

a) Directors:

R. Michael Jones

Frank R. Hallam (Secretary)

Iain McLean

Eric Carlson

Barry W. Smee

Timothy Marlow

Diana Walters

b) Officers:

R. Michael Jones (Chief Executive Officer)

Frank R. Hallam (Chief Financial Officer)

Peter C. Busse (Chief Operating Officer)

Kris Begic (VP, Corporate Development)

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

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

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of ***Platinum Group Metals Ltd.*** (the “issuer”) for the interim period ended ***February 28, 2014.***

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 report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance 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 ***December 1, 2013*** and ended on ***February 28, 2014*** that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: ***April 11, 2014***

"R. Michael Jones"
R. Michael Jones
President and Chief Executive Officer

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 report and interim MD&A (together, the "interim filings") of ***Platinum Group Metals Ltd.*** (the "issuer") for the interim period ended ***February 28, 2014*** .

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 report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance 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 ***December 1, 2013*** and ended on ***February 28, 2014*** that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: ***April 11, 2014***

"Frank R. Hallam"
Frank R. Hallam
Chief Financial Officer

PLG:NYSE MKT
PTM:TSX

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News Release

No. 14-277
April 11, 2014

Platinum Group Reports Q2 2014 Financial and Operating Results

(Vancouver/Johannesburg) **Platinum Group Metals Ltd.** (PTM-TSX; PLG-NYSE MKT) ("Platinum Group" or the "Company") reports the Company's financial results for the six months ended February 28, 2014. For details of the consolidated financial statements (the "Financial Statements") and Management's Discussion and Analysis for the six months ended February 28, 2013 please see the Company's filings on SEDAR (www.sedar.com) or on EDGAR (www.sec.gov). Shareholders may request a copy of the complete Financial Statements from the Company free of charge and are encouraged to visit the Company's website at www.platinumgroupmetals.net .

The Company's cash position at February 28, 2014 was $203 million [1] . The Company received net proceeds of $165 million on December 31, 2013 pursuant to the closing of a bought deal financing (see details below).

Platinum Group is focused on the construction of the WBJV Project 1 platinum mine ("Project 1") located near Rustenburg, South Africa. The Company is also focused on further exploration and initial engineering on the newly discovered Waterberg platinum deposit located near Mokopane, South Africa where the Company is the operator of the Waterberg Joint Venture Project (the "Waterberg JV Project") with the Japan Oil, Gas and Metals National Corporation ("JOGMEC") and Mnombo Wethu Consultants (Pty) Ltd. ("Mnombo"). The Company has also expanded its exploration on to prospecting rights covering 489 square kilometres immediately adjacent and north of the Waterberg JV Project property (the "Waterberg Extension Project").

At Project 1 the Company's owners' team oversees engineering, procurement, construction and management firm DRA Mineral Projects (Pty) Ltd. and underground mining contractor JIC Mining Services. Including subcontractors there are approximately 1,350 persons at present involved in underground development, mining and construction activities at Project 1.

Platinum Group is beginning a pre-feasibility study on the Waterberg JV Project with engineering firm WorleyParsons TWP while at the same time completing infill drilling on the project. In addition, 13 drill rigs are currently active on the Waterberg Extension Project and 1 rig is active on the Waterberg Joint Venture with the objective of expanding and upgrading the newly discovered Waterberg platinum deposit. An updated independent resource estimate for the Waterberg JV Project and an initial independent resource estimate for the Waterberg Extension Project are both expected for public release in the next few weeks.

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[1] The Company holds cash in Canadian dollars, United States dollars and South African Rand, and changes in exchange rates may create variance in the cash holdings reported in Canadian dollars. All amounts herein are reported in Canadian dollars unless otherwise specified.

Recent Highlights

- On March 4, 2014 the Company announced additional drilling results for the Waterberg Extension Project, confirming the extension of the Waterberg deposit northward on strike for approximately 4.5 km from the known 5.4 km long deposit on the Waterberg JV Project WE- 022 intercepted 56.02 metres assaying 3.18 g/t 3E (0.87 g/t Pt, 2.13 g/t Pd, 0.18 g/t including 22.00 metres assaying 4.11 g/t 3E (1.16 g/t Pt, 2.72 g/t Pd and 0.23 g/t Au). The drilling results confirmed the extension of the "Super F Zone" for an average intercept thickness of 31 meters and a true thickness of 24 meters in five drill intersections.

- On February 14, 2014 the Company announced a positive independent Preliminary Economic Assessment ("PEA") for the Waterberg JV Project. The PEA recommends the project advance to the pre-feasibility stage of development. Details of the PEA include:

  - Steady state production of 655,000 ounces of platinum, palladium and gold, "3E";
  - A two year construction period planned in 2016 to 2018;
  - A Project post-tax NPV (7.5% discount rate) of 5.1 billion Rand or US$509 million (10R/US$);
  - Peak Funding of 8.85 billion Rand or US$ 885 million (10R/US$);
  - Major Risks to be assessed at pre-feasibility including smelting plans, water and power delivery and geotechnical work for mine design along with normal increased resource, metallurgical and cost confidence levels; and
  - Opportunities include significant resource expansion, optimization of mine plans, mine ramp up profiles, increased metallurgical recoveries and smelter terms and consideration of adjacent deposit exploration

  See details and the risks and cautions to investors in the press release of February 14, 2013. The economic analysis is based on inferred resources and is preliminary in nature. Inferred resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA will be realized. The estimates in this preliminary assessment are estimated at +/-30% accuracy on an engineering basis. The complete PEA technical report on the Waterberg Joint Venture property is filed on SEDAR (www.sedar.com).

  The PEA was completed by international and South African engineering firm WorleyParsons. An NI 43-101 Technical report entitled "Waterberg Mineral Project Preliminary Economic Assessment" dated effective February 14, 2014 has been filed on SEDAR and was prepared by Dr. Michael Roberts, MSc, PhD, SAIMM of Worley Parsons TWP and Kenneth Lomberg, B.Sc. (Hons) Geology, B. Com., M. Eng. Pr.Sci.Nat., MGSSA, of Coffey Mining (SA) Pty Ltd.

- On December 31, 2013 the Company closed a bought deal financing for 148.5 million common shares of the Company at a price of $1.18 per share resulting in gross proceeds of $175.23 million. The offering closed December 31, 2013 with net proceeds to the Company after fees, commissions and costs of approximately $165 million.

- On December 9, 2013, the Company announced that Hole WE 08 at the Waterberg Extension Project returned preliminary assay values of 5.26 grams/tonne "3E" platinum, palladium and gold (1.40g/t Pt, 3.59 g/t Pd and 0.27 g/t Au) over 53.22 metres (estimated true thickness of approximately 44 metres). Hole WE 08 is located approximately 340 metres northward along strike from previously announced hole WE 02 (15.63 metres grading 3.16 g/t 3E, 1.11 Pt g/t, 1.92 g/t Pd, 0.13 g/t Au) and approximately 1,600 metres directly along strike from the Waterberg JV Project deposit.

- Drilling on the Waterberg Extension Project in November 2013 added 4.7 kilometres of confirmed F zone mineralization to the north of the Waterberg platinum deposit area and has now identified 23 kilometres of new Bushveld Complex, including the initial 5.4 kilometre long Waterberg platinum deposit.

- On November 11, 2013, the Company announced a new mandate letter with Barclays Bank PLC, Absa Corporate and Investment Bank, a division of Absa Bank Limited, Caterpillar Financial SARL and Societe Generale Corporate & Investment Banking who have agreed to use commercially reasonable efforts to arrange a new project loan facility for up to US $195 million to continue development of the Project 1 platinum mine. The new mandate letter eliminates the involvement of Africa Wide Mineral Prospecting and Exploration (Pty) Limited ("Africa Wide"), a 100% subsidiary of Johannesburg Stock Exchange listed Wesizwe Platinum Limited and will build upon previous technical and legal due diligence, and is subject to the finalization of a facility agreement, among other conditions.

- On September 3, 2013, the Company announced an updated independent inferred resource estimate for the Waterberg JV Project of 167 million tonnes grading 3.26 grams per tonne of platinum, palladium and gold (0.98 g/t Pt, 1.97 g/t Pd, 0.32 g/t Au, Ken Lomberg QP) for a total of 17.5 million ounces with significant copper and nickel credits. The estimate includes the "T1", "T2" and "F" layers in an extension of the Bushveld Complex discovered in late 2011. The shallowest edge of the known deposit is approximately 130 metres below surface with the resource estimate restricted to 1,000 metres vertical. (See report at www.sedar.com).

Results For The Period

During the six months ended February 28, 2014, the Company had a net loss of $3.3 million (February 28, 2013 – net loss of $1.4 million). General and administrative expenses during the period were $4.5 million (February 28, 2013 - $4.2 million), gains on foreign exchange, due primarily to a stronger Rand at period end, were $0.75 million (February 28, 2013 –$1.52 million gain). Finance income consisting of interest earned and property rental fees in the period amounted to $2.7 million (February 28, 2013- $2.6 million). Net loss per share for the period amounted to $0.01 per share, as compared to a loss of $0.01 per share for the comparative period of fiscal 2013.

Accounts receivable at February 28, 2014 totalled $6.4 million while accounts payable and accrued liabilities amounted to $11.2 million. Accounts receivable were comprised primarily of value added taxes repayable to the Company in South Africa and amounts receivable from partners. Accounts payable included contract construction fees, drilling expenses, engineering fees, accrued professional fees and regular trade payables for ongoing exploration and development costs and administration.

Total expenditures by the Company for development and purchases of property and equipment for Project 1 during the period totaled approximately $65 million, before including the effects of foreign currency exchange rate fluctuations. Expenditures by the Company during the period for exploration on the Waterberg JV Project and the Waterberg Extension Project were approximately $4.7 million, with a further $0.5 million being funded for the Waterberg JV Project alone by joint venture partner, JOGMEC.

To date approximately 3.8 million man hours of construction work has been completed at the Project 1 platinum mine and approximately $281 million has been invested in construction, equipment and underground development. Underground development has reached the Merensky Reef, and initial mining blocks are in planning and early development. Stockpiling of early ore is underway. Crusher, mill and flotation circuit foundations are constructed to above ground level. Mill components have been ordered and are being fabricated with a number of items now complete. A 10MVA electrical supply was completed and energized in October. Two ventilation raises and fans are now functional. Underground mining of multiple declines and headings continues. Capital costs have generally been within budget, and first concentrate production is targeted for calendar fourth quarter of 2015. Underground development delays or delays in the delivery of key components or services could result in delays to the first concentrate production or ramp up.

On March 3, 2014 Africa Wide failed to pay approximately US $21.52 million for its share of a unanimously approved cash call. This follows their election on October 18, 2013 to not fund an approximate US $21.8 million cash call for their 26% share of a unanimously approved six month forward construction budget for Project 1. The Company estimates that Africa Wide will dilute to approximately a 17.1% holding in Maseve as a result of the second missed cash call. Africa Wide disagrees with the dilution calculation and the matter has been referred to binding arbitration which will confirm the dilution formula. The Company is currently working on a plan to sell Africa Wide’s diluted interest in Maseve to qualified black economic empowerment partner Mnombo.

Outlook

The Company’s key business objectives and Milestones for calendar 2014 are:

- to build the WBJV Project 1 platinum mine safely and in accordance with the planned schedule and budget;
- to close the planned US $195 million new project loan facility, or complete an alternate financing for Project 1, in order to secure all of the funding required for the completion of Project 1, including mill completion, underground development and the establishment of sustained operations;
- the completion of a pre-feasibility study on the initial Waterberg JV Project deposit during calendar 2014 or early 2015;
- to continue exploration and definition drilling on the Waterberg JV Project and Waterberg Extension Project with eight or more drill rigs during 2014;
- to complete an updated independent resource estimate for the Waterberg JV project and complete an initial independent resource estimate for the Waterberg Extension Project; and
- to maintain and develop our strong relationship with JOGMEC and the new partner expected in June 2014 as a result of the current tender process for the transfer of JOGMEC’s interest in the Waterberg Joint Venture.

About Platinum Group Metals Ltd.

Platinum Group is based in Johannesburg, South Africa and Vancouver, Canada. The Company's business is currently focused on the construction of the Project 1 platinum mine and the exploration and initial engineering on the newly discovered Waterberg platinum deposit, where the Company is the operator of the Waterberg JV Project with JOGMEC and Mnombo. The Company has also expanded its exploration northward on to the Waterberg Extension Project. As a result of the resource scale and thickness of the Waterberg deposit, the Waterberg JV Project and the Waterberg Extension Project have increased in importance in the Company's business over the period.

Qualified Person

R. Michael Jones, P.Eng., the Company's President, Chief Executive Officer and a significant shareholder of the Company, is a non-independent qualified person as defined in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and is responsible for preparing the technical information contained in this news release.

On behalf of the Board of
Platinum Group Metals Ltd.

"Frank R. Hallam"
CFO and Director

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The Toronto Stock Exchange and the NYSE MKT LLC have not reviewed and do not accept responsibility for the accuracy or adequacy of this news release, which has been prepared by management.

This press release contains forward-looking information within the meaning of Canadian securities laws and forward-looking statements within the meaning of U.S. securities laws ("forward-looking statements"). Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, plans, 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 completion of the New Project Loan Facility, the Company's ability to secure alternative financing, the Company's plans with respect to future exploration, development and production on the Company's projects including mine construction at Project 1, the dilution of Africa Wide's interest in Maseve and the ability of the Company to sell such diluted interest to another bona fide black economic empowerment partner. 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; metal prices; other prices and costs; currency exchange rates; the Company's ability to obtain any necessary permits, consents or authorizations required for its activities; the Company's ability to access further funding and 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 the 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.*

Cautionary Note to U.S. Investors Regarding Estimates of Inferred Mineral Resources

This press release uses the terms "inferred mineral resources." We advise U.S. investors that while these terms are recognized and required by Canadian regulations, the SEC does not recognize them. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. Under Canadian rules, estimates of "inferred mineral resources" may not form the basis of a feasibility study or prefeasibility studies, except in rare cases. The SEC normally only permits issuers to report mineralization that does not constitute "reserves" as in-place tonnage and grade without reference to unit measures. U.S. investors are cautioned not to assume that any part or all of an inferred resource exists or is economically or legally mineable.