PLG:AMEX PTM:TSX

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

Consolidated Financial Statements
For the quarter ended November 30, 2009

Filed: January 14, 2010

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

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

(expressed in Canadian dollars)		**Nov. 30, 2009**		Aug. 31, 2009
ASSETS				
CURRENT				
Cash and cash equivalents	**$**	**31,877,499**	$	32,965,685
Amounts receivable (Note 3)		**339,978**		344,538
Available-for-sale securities (Note 4)		**2,950,320**		2,135,002
Due from WBJV partners (Note 5)		**1,221,504**		988,880
Due from JOGMEC partner (Note 6(a)(i))		**295,636**		224,482
Prepaid expenses and other assets		**34,921**		50,812
Total current assets		**36,719,858**		36,709,399
PERFORMANCE BONDS		**130,843**		137,849
INVESTMENT IN WBJV (Note 5)		**20,931,847**		20,561,154
MINERAL PROPERTIES (Note 6)		**6,084,436**		6,057,034
FIXED ASSETS (Note 7(a))		**364,640**		365,079
SURFACE RIGHTS (Note 7(b))		**3,240,282**		3,240,282
Total assets	**$**	**67,471,906**	$	67,070,797
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities (Note 11(a))	**$**	**1,358,423**	$	861,041
Total liabilities		**1,358,423**		861,041
SHAREHOLDERS' EQUITY				
Share capital (Note 8)		**90,000,153**		89,945,316
Contributed surplus		**11,605,172**		11,458,915
Accumulated other comprehensive income		**(1,865,195)**		(975,575)
Deficit accumulated during the exploration and development stage		**(33,626,647)**		(34,218,900)
Total shareholders' equity		**66,113,483**		66,209,756
Total liabilities and shareholders' equity	**$**	**67,471,906**	$	67,070,797

CONTINGENCIES AND COMMITMENTS (NOTE 12)
SUBSEQUENT EVENTS (NOTE 15)

APPROVED BY THE DIRECTORS:

"Iain McLean"

Iain McLean, Director

"Eric Carlson"

Eric Carlson, Director

See accompanying notes to the consolidated financial statements.

PLATINUM GROUP METALS LTD.

(An exploration stage company)
Interim Consolidated Statements of Operations
(Unaudited)

(expressed in Canadian dollars)

	Three Months Ended Nov. 30, 2009	Three Months Ended Nov. 30, 2008
EXPENSES		
Amortization	$ 27,656	$ 36,152
Annual general meeting	42,366	42,916
Filing and transfer agent fees	22,401	14,762
Foreign exchange loss (gain)	9,034	(136,506)
Insurance	25,184	30,378
Management and consulting fees	260,365	321,725
News releases, print and mailout	27,669	17,504
Office and miscellaneous	31,797	51,777
Professional fees	203,130	276,586
Promotion	35,142	39,943
Rent	58,973	45,043
Salaries and benefits	370,556	364,891
Shareholder relations	45,991	102,269
Stock compensation expense	137,600	802,409
Telephone	16,053	17,266
Travel	108,048	124,353
Recoveries	(59,132)	(60,923)
	(1,362,833)	(2,090,545)
Less interest earned	35,444	102
Loss for the period before other items	(1,327,389)	(2,090,443)
Other items:		
Realized gain on available-for-sale securities (Note 4)	2,100,080	-
Gain on sale of fixed assets	1,376	-
Profit (loss) for the period before income taxes	774,067	(2,090,443)
Future income tax expense	(181,814)	(9,995)
Profit (loss) for the period	$ 592,253	$ (2,100,438)
Other comprehensive income (loss)		
Realized gain on available-for-sale securities	(1,258,002)	-
Unrealized gain (loss) on available-for-sale securities (Note 4)	165,954	(362,950)
Comprehensive loss for the period	$ (499,795)	$ (2,463,388)
Basic and diluted earnings (loss) per common share	$ 0.01	$ (0.03)
Weighted-average number of common shares outstanding	92,832,876	65,816,344

See accompanying notes to the consolidated financial statements.

PLATINUM GROUP METALS LTD.

(An exploration and development stage company)

Consolidated Statements of Shareholders' Equity

August 31, 2006, to November 30, 2009
(Unaudited)

(expressed in Canadian dollars)	Common shares without par value		Contributed surplus	Accumulated other comprehensive income	Deficit accumulated during exploration & development stage	Total shareholders' equity
	Shares	Amount				
Balance, August 31, 2006	53,691,178	39,798,768	1,785,705	(658,381)	(15,410,804)	25,515,288
Issued on exercise of warrants	6,333,194	11,454,791	-	-	-	11,454,791
Issued on exercise of stock options	914,375	892,557	(266,982)	-	-	625,575
Issued for mineral properties net of costs	50,000	227,742	-	-	-	227,742
Stock options granted	-	-	1,487,661	-	-	1,487,661
Translation adjustment	-	-	-	(1,707,495)	-	(1,707,495)
Net loss	-	-	-	-	(6,758,123)	(6,758,123)
Balance, August 31, 2007	60,988,747	52,373,858	3,006,384	(2,365,876)	(22,168,927)	30,845,439
Transition adjustment (Note 4)	-	-	-	1,592,901	-	1,592,901
Issued on exercise of warrants	850,000	1,487,500	-	-	-	1,487,500
Issued on exercise of stock options	760,500	1,334,748	(512,924)	-	-	821,824
Issued for mineral properties net of costs	50,000	163,236	-	-	-	163,236
Stock options granted	-	-	1,288,383	-	-	1,288,383
Translation adjustment	-	-	-	(674,771)	-	(674,771)
Unrealized loss on AFS securities	-	-	-	(821,101)	-	(821,101)
Net loss	-	-	-	-	(5,086,589)	(5,086,589)
Balance, August 31, 2008	62,649,247	55,359,342	3,781,843	(2,268,847)	(27,255,516)	29,616,822
Issuance of common shares and warrants for cash	29,969,770	34,174,382	5,288,917	-	-	39,463,299
Issued on exercise of stock options	196,650	411,592	(129,952)	-	-	281,640
Stock options granted	-	-	2,518,107	-	-	2,518,107
Translation adjustment	-	-	-	428,820	-	428,820
Unrealized gain on AFS securities	-	-	-	864,452	-	864,452
Net loss	-	-	-	-	(6,963,384)	(6,963,384)
Balance, August 31, 2009	92,815,667	89,945,316	11,458,915	(975,575)	(34,218,900)	66,209,756
Issued on exercise of stock options	33,000	54,837	(18,637)	-	-	36,200
Stock options granted	-	-	164,894	-	-	164,894
Translation adjustment	-	-	-	202,428	-	202,428
Realized gain transferred to income				(1,258,002)		(1,258,002)
Unrealized gain on AFS securities	-	-	-	165,954	-	165,954
Net profit for the period	-	-	-	-	592,253	592,253
Balance, November 30, 2009	92,848,667	$ 90,000,153	$ 11,605,172	$ (1,865,195)	$ (33,626,647)	$ 66,113,483

See accompanying notes to the consolidated financial statements.

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

(expressed in Canadian dollars)

	Three Months Ended Nov. 30, 2009	Three Months Ended Nov. 30, 2008
OPERATING ACTIVITIES		
Profit (loss) for the period	$ 592,253	$ (2,100,438)
Add items not affecting cash		
Amortization	27,656	36,152
Future income tax charge	181,814	9,995
Realized gain on available-for-sale securities	(2,100,080)	-
Non-cash stock compensation expense	137,600	802,409
Net change in non-cash working capital (Note 13)	268,942	(361,042)
	(891,815)	(1,612,924)
FINANCING ACTIVITIES		
Performance Bonds	7,006	-
Issuance of common shares	36,200	7,320,931
	43,206	7,320,931
INVESTING ACTIVITIES		
Acquisition of fixed assets	(27,217)	(6,445)
Acquisition cost of mineral properties	(15,706)	(16,542)
Expenditure on exploration	(11,696)	(77,765)
Investment in and advances to WBJV	(184,958)	515,951
	(239,577)	415,199
Net (decrease) increase in cash and cash equivalents	(1,088,186)	6,123,206
Cash and cash equivalents, beginning of year	32,965,685	1,779,871
Cash and cash equivalents, end of period	$ 31,877,499	$ 7,903,077

1. NATURE OF OPERATIONS

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of presentation and principles of consolidation

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

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Platinum Group Metals (RSA) (Pty) Ltd. ("PTM RSA") and in turn its wholly-owned subsidiary Wesplats Holdings (Proprietary) Limited ("Wesplats"). PTM RSA holds mineral rights and conducts operations in the Republic of South Africa. Wesplats owns surface rights areas overlying and adjacent to mineral rights held by PTM RSA and on behalf of the Company. All significant intercompany balances and transactions have been eliminated upon consolidation.

The Company's 37% working interest in the WBJV (Note 5) is accounted for as an investment in the WBJV.

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

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

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

(c) *Cash and cash equivalents*

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

(d) *Reclamation and closure costs*

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

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

(e) *Income taxes*

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

(f) *Fixed assets*

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

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

(g) *Short-term investments*

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

(h) Earnings (loss) per common share

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

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

(i) Measurement uncertainty

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

(j) Translation of foreign currencies

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

The investment in the WBJV is translated at year end exchange rates, and revenues and expenses are translated at average exchange rates. Differences arising from these foreign currency translations are recorded in shareholders' equity in accumulated other comprehensive income until they are realized by a reduction in the investment.

(k) Stock-based compensation

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

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

(l) Financial instruments

The Company's financial instruments are comprised primarily of cash and cash equivalents, available-for-sale (AFS) securities, amounts receivable, amounts due from JOGMEC partner, amounts due from WBJV partners, performance bonds, and accounts payable and accrued liabilities.

Cash and cash equivalents are recognized at their fair value. AFS securities are recorded in the financial statements at fair value; and the carrying value of all other financial instruments approximate their fair values due to their short-term maturity or their capacity of prompt liquidation.

(m) *New accounting pronouncements*

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

On March 27, 2009, the Canadian Institute of Chartered Accountants (“CICA”) approved EIC 174, “*Mining Exploration Costs”.* The EIC provides guidance on capitalization of exploration costs related to mining properties in particular and on impairment of long-lived assets in general. The Company has applied this new abstract at the date of issuance resulting in no impact on its consolidated financial statements.

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

3. AMOUNTS RECEIVABLE

	Nov. 30, 2009	Aug. 31, 2009
Expenditure advances receivable	**$ 4,305**	$ 3,581
Due from related parties (Note 11 (b) and (c))	**52,175**	17,172
Goods and services tax recoverable	**25,629**	37,160
South African value added tax ("VAT") recoverable	**246,113**	272,973
Interest receivable	**11,756**	13,652
	$ 339,978	$ 344,538

4. AVAILABLE-FOR-SALE SECURITIES

The Company had the following marketable securities accounted for as available-for-sale.

November 30, 2009	**Number of Shares**	**Cost ($)**	**Accumulated Unrealized Gains ($)**	**Fair Value ($)**
MAG Silver Corp.	100,000	50,000	576,000	626,000
Lakeshore Gold Corp.	584,000	2,260,080	64,240	2,324,320
Total Marketable Securities		**2,310,080**	**640,240**	**2,950,320**

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

On November 6, 2009 pursuant to an agreement between West Timmins Mining Inc. and Lake Shore Gold Corp., the Company exchanged its 800,001 shares in West Timmins Mining Inc. for common shares in Lake Shore Gold Corp. at a share exchange rate of 1 West Timmins share to each 0.73 share of Lake Shore Gold. A gain of $2,100,080 has been realized on the transaction.

During the period ended November 30, 2009 after an adjustment of future income tax of $29,286 (November 30, 2008 - future income tax recovery of $64,050) the Company recognized an unrealized gain of $165,954 (November 30, 2008 - unrealized loss of $362,950) on marketable securities designated as available-for-sale instruments in other comprehensive income.

The MAG Silver Corp. and West Timmins Mining Inc. are related parties of the Company, as discussed in Note 11.

5. INVESTMENT IN WESTERN BUSHVELD JOINT VENTURE (THE "WBJV")

	Nov. 30, 2009	Aug. 31, 2009
Opening Balance	$23,172,981	$21,935,272
Additional investment	168,265	1,237,709
Balance before translation	23,341,246	23,172,981
Translation adjustment	(2,409,399)	(2,611,827)
Ending Balance	$20,931,847	$20,561,154

Details of the assets of the WBJV, excluding the property rights contributed by the other venture partners, are as follows:

	Nov. 30, 2009	Aug. 31, 2009
Acquisition and Capital costs		
Balance, beginning of period	$ 4,679,148	$ 4,675,587
Incurred during period	-	3,561
Translation adjustment	(453,949)	(482,626)
Balance, end of period	$ 4,225,199	$ 4,196,522
Deferred exploration costs		
Balance, beginning of period	$ 39,006,062	$ 36,656,854
Assays and geochemical	39,492	39,172
Drilling	670	200,619
Geological and engineering	271,610	1,222,606
Geophysical	1,136	142,153
Site administration	26,401	122,575
Stock compensation	38,194	582,832
Travel	12,234	39,251
	39,395,799	39,006,062
Translation adjustment	(1,955,450)	(2,129,201)
Balance, end of period	$ 37,440,349	$ 36,876,861
Less other partners' interest	(20,733,701)	(20,512,229)
Investment in WBJV	$ 20,931,847	$ 20,561,154

Expenditures in the WBJV were principally being incurred in Rand and funded by advances from the venturers which were denominated in Rand. The Company therefore considers its equity investment in the WBJV to be self sustaining and it translates its share of net equity of WBJV using the current rate method with translation gains and losses included in accumulated other comprehensive income as a separate component of shareholders' equity.

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

The Company is the operator of the WBJV. From October 2004 to April 2006 the Company funded an earn-in exploration program in the amount of Rand 35 million (at August 31, 2005 approx. C$6.44 million). Since then the partners of the WBJV have funded expenditures pro-rata based upon their working interest in the Joint Venture. At November 30, 2009 the Company recorded outstanding receivables of $1,221,504 due from Anglo Platinum ($713,042 or Rand 5.007 M) and Africa Wide ($508,462 or Rand 3.571 million) for work completed on the WBJV.

The Company published a Feasibility Study for Project 1 of the WBJV on July 7, 2008. Based on the WBJV resource estimate prepared for that Feasibility Study, and under the terms of the original WBJV agreement, the respective deemed capital contribution of each party was to be credited by adding an equalization amount calculated upon their contribution of measured, indicated, and inferred ounces of combined platinum, palladium, rhodium and gold (“4E”) from the contributed properties comprising the WBJV, determined in accordance with the South African Mineral Resource Committee (“SAMREC”) code. Inferred ounces were to be credited at US$0.50 per ounce, indicated ounces at US$3.20 per ounce and measured ounces at US$6.20 per ounce. Ounces contributed to the WBJV by Anglo Platinum in 2007 from a 50% interest in Portion 11 of the Farm Frischgewaagd 96 JQ were to receive an equalization credit of US$0.62 per inferred ounce, US$10.37 per indicated ounce and US$39.55 per measured ounce. The Company’s equalization amount, including an interest charge since January 1, 2009, payable to the credit of Anglo Platinum is approximately $26 million at present, subject to Canadian dollar exchange rates to the Rand and eight month average exchange rates for the US dollar to the Rand.

On September 2, 2008 the Company announced an agreement in principle to consolidate and rationalize the ownership of the WBJV. On December 8, 2008 the Company announced the execution of definitive agreements formalizing the earlier announcement. Under the terms of the agreement Anglo Platinum will vend its entire 37% interest in the WBJV to Wesizwe for common shares representing approximately a 26.5% interest in Wesizwe. The Company will concurrently acquire a 37% interest in Projects 1 and 3 from Wesizwe in consideration of its 18.5% interest in Project 2 and Rand 408 million in cash (approximately $58.1 million at January 14, 2009). This will bring the Company’s interest in Projects 1 and 3 to 74% while at the same time eliminating its holdings in Project 2. The cash payment to Wesizwe will be deferred until nine months after the effective date of the transaction and will then be held in escrow to be applied towards Wesizwe’s capital requirements for the Projects 1 and 3. The effective date will occur upon the completion of conditions precedent and the transfer and registration of mineral titles between the parties by the Department of Mineral Resources in South Africa. The effective date is expected in early 2010. Should the Company not make the payment due to Wesizwe on time Wesizwe may elect to claw back approximately 19.0% percent of Projects 1 and 3, reducing the Company’s interest to approximately 55%.

Under the terms of the December 8, 2008 agreement the equalization amount due to Anglo Platinum by the Company will become payable on the effective date of the definitive agreements, discussed above. In the event the Company does not make the equalization payment on the date required, Anglo Platinum may elect to extend the payment deadline for six months, with interest, or they may elect to take payment in common shares of Wesizwe, at which point the right to accept the equalization payment would transfer to Wesizwe.

6. MINERAL PROPERTIES

Period ended November 30, 2009

	South Africa			Canada			
	Tweespalk	War Springs	Other	LDI River	Shelby Lake	South Legris	Total
Acquisition costs of mineral rights							
Balance, beginning of year	$ 59,995	$ 144,498	$ 3,321	$ 598,571	$ 313,864	$ 60,000	$ 1,180,249
Incurred during period	4,579	1,288	9,839	-	-	-	15,706
Balance, end of period	$ 64,574	$ 145,786	$ 13,160	$ 598,571	$ 313,864	$ 60,000	$ 1,195,955
Deferred exploration costs							
Assays and geochemical	$ -	$ 63,578	$ -	$ -	$ -	$ -	$ 63,578
Drilling	-	478,899	-	-	-	-	478,899
Geological	990	82,454	10,706	-	-	-	94,150
Maps, fees and licenses	-	-	-	-	-	-	-
Site administration	-	19,561	-	-	-	-	19,561
Travel	-	60,172	-	-	-	-	60,172
	990	704,664	10,706	-	-	-	716,360
Balance, beginning of year	892,135	2,271,260	632,011	363,755	563,687	153,937	4,876,785
Recoveries	-	(704,664)	-	-	-	-	(704,664)
Balance, end of period	$ 893,125	$ 2,271,260	$ 642,717	$ 363,755	$ 563,687	$ 153,937	$ 4,888,481
Total Mineral Properties	$ 957,699	$ 2,417,046	$ 655,877	$ 962,326	$ 877,551	$ 213,937	$ 6,084,436

Year ended August 31, 2009

	South Africa			Canada			
	Tweespalk	War Springs	Other	LDI River	Shelby Lake	South Legris	Total
Acquisition costs of mineral rights							
Balance, beginning of year	$ 52,037	$ 134,358	$ 2,692	$ 598,571	$ 313,864	$ 60,000	$ 1,161,522
Incurred during period	7,958	10,140	629	-	-	-	18,727
Balance, end of period	$ 59,995	$ 144,498	$ 3,321	$ 598,571	$ 313,864	$ 60,000	$ 1,180,249
Deferred exploration costs							
Assays and geochemical	$ -	$ 88,570	$ 14,539	$ 1,458	$ 2,453	$ 7,531	$ 114,551
Drilling	-	434,764	-	-	47,566	47,566	529,896
Geological	777	160,620	82,625	3,655	13,083	13,083	273,843
Maps, fees and licenses	-	-	-	-	67	-	67
Site administration	157	130,174	428	-	-	-	130,759
Travel	-	17,740	85	-	-	-	17,825
	934	831,868	97,677	5,113	63,169	68,180	1,066,941
Balance, beginning of year	891,201	2,235,318	573,552	358,642	500,518	85,757	4,644,988
Recoveries	-	(795,926)	(39,218)	-	-	-	(835,144)
Balance, end of period	$ 892,135	$ 2,271,260	$ 632,011	$ 363,755	$ 563,687	$ 153,937	$ 4,876,785
Total Mineral Properties	$ 952,130	$ 2,415,758	$ 635,332	$ 962,326	$ 877,551	$ 213,937	$ 6,057,034

(a) Republic of South Africa

(i) War Springs and Tweespalk

On June 3, 2002, the Company acquired an option to earn a 100% interest in the 2,396 hectare War Springs property and the 2,177 hectare Tweespalk property both located in the Northern Limb or Platreef area of the Bushveld Complex north of Johannesburg. The Company now holds New Order prospecting permits on 100% of this territory. Acquisition and exploration costs on these properties to November 30, 2009 total $3,374,745.

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

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

On March 5, 2009 the Company announced an agreement with the Japan Oil, Gas and Metals National Corporation ("JOGMEC"), an incorporated administrative institution of the Government of Japan, whereby they may earn up to a 35% interest in the Company's rights to the War Springs project for an optional work commitment of US$10 million over 5 years. Total expenditures incurred by JOGMEC to November 30, 2009 amounted to approximately $1,500,590. At November 30, 2009 an amount of $295,636 was receivable from JOGMEC for work completed under approved work programs. This amount was subsequently received.

(ii) *Other*

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

(b) *Ontario, Canada*

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

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

(ii) *South Legris*

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

(iii) *Shelby Lake*

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

(c) *Title to mineral properties*

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

7. FIXED ASSETS

(a) *Equipment, Leaseholds and Vehicles*

	November 30, 2009		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment and software	**500,343**	**350,401**	**$ 149,942**
Leasehold improvements	**38,642**	**29,194**	**9,448**
Office furniture and equipment	**257,616**	**119,589**	**138,026**
Vehicles	**83,472**	**16,248**	**67,224**
	880,072	**515,432**	**$ 364,640**

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

(b) *Surface Rights*

The Company acquired the surface and mineral rights to 365.64 hectares of the farm Elandsfontein 102 JQ in exchange for total payments of approximately $1.4 million. These properties were contributed to the WBJV under the terms of the original WBJV agreement and the Company's cost for these properties is included in its deferred costs for the WBJV.

During the year ended August 31, 2008 the Company purchased surface rights adjacent to the WBJV Project 1 deposit area measuring 216.27 hectares for an amount of Rand 8.0 million (approx. C$1.09 million). During the 2008 year the Company also entered into a legally binding agreement for the purchase of surface rights directly over a portion of the WBJV Project 1 deposit area measuring 358.79 hectares for an amount of Rand 15.07 million (approx. C$2.07 million). Prior to August 31, 2008 the Company paid a 10% deposit of Rand 1.507 million (approx. C$0.20 million) for this property and the balance of Rand 13.562 million (approx. C$1.953 million) was later paid in March 2009. The rights to these two properties are to the benefit of the Company only and are distinct from the 365.64 hectare Elandsfontein Farm held for the benefit of the WBJV as described above.

8. SHARE CAPITAL

(a) *Authorized*

Unlimited common shares without par value

(b) *Issued and outstanding*

At November 30, 2009 there were 92,848,667 shares outstanding.

During the period ended November 30, 2009:

(i) 33,000 stock options were exercised for proceeds of $36,200.

During the year ended August 31, 2009:

(ii) the Company closed a brokered placement on June 16, 2009 for gross proceeds of $35,002,020 upon the issue of 24,999,300 units at a price of $1.40 per unit. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant of the Company. $29,713,103 of the gross proceeds were assigned to the common shares included in the units and $5,288,917 to the warrants. Each warrant entitles the holder thereof to purchase one common share at an exercise price of $1.75 per warrant for 18 months from the closing date. The Company paid the underwriters a fee of $2,100,121 representing 6% of the aggregate gross proceeds of the offering. Other issue costs which included filing fees to the TSX and NYSE Alternext, other underwriters' expenses, and legal fees to lawyers totaled $746,681. Net proceeds for the financing totaled $32,155,218.

(iii) the Company closed a non-brokered private placement on October 3 and October 7, 2008 for $7,611,229 upon the issue of 4,910,470 common shares at a price of $1.55 per share. A finders' fee of $186,000 in cash and a further 60,000 shares at the offering price was paid in respect of certain of the subscriptions. Other issue costs which included filing fees to the TSX and NYSE Alternext, and legal fees to lawyers totaled $117,148. Net proceeds for the financing totaled $7,308,081.

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

(c) *Incentive stock options*

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

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

Exercise Price	Number Outstanding at November 30, 2009	Weighted Average Remaining Contractual Life (Years)	Number Exercisable at November 30, 2009
1.00	1,078,625	0.22	1,078,625
1.05	37,500	0.67	37,500
1.40	1,379,000	4.70	1,379,000
1.50	9,500	1.11	9,500
1.60	1,492,000	3.88	1,492,000
1.85	175,000	1.73	175,000
1.95	50,000	4.18	50,000
2.27	10,000	4.19	10,000
2.57	885,000	2.13	885,000
4.15	150,000	2.90	150,000
4.40	850,000	2.90	850,000
	6,116,625	2.92	6,116,625

The weighted average exercise price of the exercisable options at period end was $2.05.

	Number of Shares		Weighted Average Exercise Price
Options outstanding at August 31, 2008	3,857,875		2.56
Granted	3,279,000		1.52
Exercised	(196,650)		1.43
Forfeited	(790,600)		2.54
Options outstanding at August 31, 2009	6,149,625	$	2.04
Granted	-		-
Exercised	(33,000)		1.10
Forfeited	-		-
Options outstanding at November 30, 2009	6,116,625	$	2.05

During the period ended November 30, 2009 the Company granted nil stock options to employees (Nov.30, 2008 – 1,727,000). The Company has recorded $164,894 ($137,600 expensed and $27,294 capitalized to the WBJV, not including gross up FIT liability of $10,900 (Nov.30, 2008 - $54,055)) of compensation expense relating to stock options granted or vested in this period (Nov.30, 2008 - $939,476 ($802,409 expensed and $137,067 capitalized to the WBJV)). Cash received from the exercise of stock options during the period ended November 30, 2009 was $36,200 (Nov.30, 2008 - $12,850).

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

	Nov. 30, 2009	Nov. 30, 2008
Risk-free interest rate	**N/A**	2.73
Expected life of options	**N/A**	3.5
Annualized volatility	**N/A**	73.73
Dividend rate	**N/A**	0.00%

(d) Share purchase warrants

During the year ended August 31, 2009, 12,537,150 purchase warrants were issued at $1.75 as a part of the placement on June 16, 2009. These warrants have an expiry date of December 16, 2010. None of the warrants have been exercised.

9. CAPITAL RISK MANAGEMENT

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

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

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

As at November 30, 2009, the Company does not have any long-term debt and is not subject to any externally imposed capital requirements.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

(a) Credit risk

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

(i) Trade credit risk

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

(ii) Cash and cash equivalents

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

(iii) *Due from WBJV partners and due from Jogmec partner*

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

(b) Liquidity risk

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

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

(c) Currency risk

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

The Company's net loss and other comprehensive loss are affected by changes in the exchange rate between its operating currencies and the Canadian dollar. At November 30, 2009, based on this exposure a 10% change in the Canadian dollar versus Rand foreign exchange rate would give rise to a change in the loss and comprehensive loss for the two periods presented of approximately $125,000 and $2,000,000 respectively.

(d) Interest rate risk

The Company's interest revenue earned on cash and cash equivalents and on short term investments is exposed to interest rate risk. At November 30, 2009, based on this exposure a 1% change in the average interest rate would give rise to an increase/decrease in the loss for the period of approximately $319,000.

(e) Other price risks

The Company is exposed to equity price risk as a result of holding marketable securities in other exploration and mining companies (see Note 4). These available for sale equities are valued at their fair market values as at the balance sheet date, with any unrealized gain or loss recorded in other comprehensive income or loss for the period.

11. RELATED PARTY TRANSACTIONS

Transactions with related parties are as follows:

(a) During the period, $102,384 (Nov.30, 2008 - $102,135) were paid to directors for salary, consulting and Director's fees. At November 30, 2009, $Nil was included in accounts payable (2008 - $10,284).

(b) The Company received $33,571 (Nov.30, 2008 - $33,923) during the period from MAG Silver Corp. ("MAG"), a company with two directors in common and an officer in common. Amounts receivable at the end of the period includes an amount of $33,087 (2008 - $37,206 due from MAG). The Company has been notified by MAG that this agreement will be terminated with effect at December 31, 2009.

(c) During the period the Company accrued or received payments of $6,000 (Nov.30, 2008 – $27,000) from West Timmins Mining Inc. ("WTM"), a company with three directors in common and an officer in common, for administrative services. Amounts receivable at the end of the period includes an amount of $19,088 (Nov.30, 2008 - $31,287 due from WTM). The Company has been notified by WTM that this agreement will be terminated with effect at December 15, 2009 due to the amalgamation by plan of arrangement between Lakeshore Gold and WTM.

(d) The Company entered into an office lease agreement with Anthem Works Ltd. ("Anthem"), a company with a director in common in 2005. During the period ended November 30, 2009 the Company accrued or paid Anthem $21,836 under the office lease agreement (Nov.30, 2008 - $21,367).

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

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

12. CONTINGENCIES AND COMMITMENTS

The Company's remaining minimum payments under its office and equipment lease agreements, which it has entered into for the years ending on August 31, as well as PTM RSA's commitments, are as follows:

August 31, 2010	$	51,347
August 31, 2011		10,162
August 31, 2012		1,694
	$	63,203

13. SUPPLEMENTARY CASH FLOW INFORMATION

Net change in non-cash working capital

		Period Ended Nov. 30, 2009		Period Ended Nov. 30, 2008
Amounts receivable	**$**	**(299,218)**	$	(95,944)
Prepaid expenses and other		**15,891**		48,909
Accounts payable		**552,269**		(314,007)
	$	**268,942**	$	(361,042)

14. SEGMENTED INFORMATION

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

Assets

		November 30, 2009		August 31, 2009
Canada	**$**	**36,713,287**	$	37,143,005
South Africa		**30,758,619**		29,927,793
	$	**67,471,906**	$	67,070,798

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

Results of Operations

		Period Ended Nov. 30, 2009		Period Ended Nov. 30, 2008
Canada	**$**	**1,052,948**	$	(1,782,683)
South Africa		**(460,695)**		(317,755)
	$	**592,253**	$	(2,100,438)

15. SUBSEQUENT EVENTS

Subsequent to the end of the period the Company purchased Rand 94,890,511 at a rate of 7.3 Rand to each Canadian dollar for a total cost of $13.0 million. Of the proceeds Rand 6.0 million was used for operations in South Africa and the balance was placed in an interest bearing account with Standard Bank. The Company has begun to accumulate a cash position in Rand in preparation for settlement of an equalization payment due to Anglo Platinum (see Note 5).

Subsequent to the end of the period the Company sold its holding of 584,000 shares of Lake Shore Gold Corp. for net proceeds of $2,304,160.

Other non-material subsequent events may be disclosed elsewhere within these Financial Statements to January 14, 2010.

Platinum Group Metals Ltd.
(Exploration and Development Stage Company)
Supplementary Information and MD&A
For the quarter ended November 30, 2009

Dated: January 14, 2010

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

NOTE REGARDING FORWARD -LOOKING STATEMENTS:

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

NOTE TO U.S. INVESTORS REGARDING RESOURCE ESTIMATES:

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

Management Discussion and Analysis

1. DESCRIPTION OF BUSINESS

Platinum Group Metals Ltd. (the “Company” or “Platinum Group”) is a British Columbia corporation incorporated on February 18, 2002 by an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation (“New Millennium”). The Company is an exploration and development company conducting work primarily on mineral properties it has staked or acquired by way of option agreement in the Republic of South Africa and Ontario, Canada. The Company completed a definitive Feasibility Study in July 2008 and an Updated Feasibility Study in October 2009 with respect to its Western Bushveld Joint Venture (“WBJV”) in the Republic of South Africa. Included in each Study is a declaration of reserves at the time of publication.

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

This management discussion and analysis (“MD&A”) of the Company focuses on the financial condition and results of operations of the Company for the period ended November 30, 2009. It is prepared as of January 14, 2010 and should be read in conjunction with the unaudited consolidated financial statements of the Company for the quarter ended November 30, 2009 together with the notes thereto.

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

2. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

a) Results of Operations

Any reference to “period” refers to the quarter ended November 30, 2009.

At November 30, 2009 the Company had cash and cash equivalents of $31,877,499 as compared to $7,903,077 on November 30, 2008. The Company was owed $1,221,504 by the WBJV partners for WBJV expenditures at period end. Accounts payable at period end totaled $1,358,423 (2008 - $2,561,754); of this amount approximately $102,000 was payable against legal costs, $210,000 was due for advisory and consulting expenses and $66,000 was payable for audit fees. There was also approximately $550,000 payable for exploration expenses with the majority of this amount in turn being receivable from joint venture partners. The balance of accounts payable related to overhead and administrative costs. The Company also held marketable securities at period end with a fair value of $2,950,320 (2008 – $691,000).

During the period the Company had a net profit before taxes of $774,067 (2008 - $2,090,443 loss). The gain is primarily due to the realization of a gain on marketable securities of $2,100,080, of which $1,480,002, net of future income taxes of $222,000 had previously been recognized in other comprehensive income. Before a non-cash charge for stock based compensation of $137,600 (2008 - $802,409), and including net interest earned of $35,444 (2008 - $102), general and administrative expenses totaled $1,189,789 (2008 - $1,288,034). The $98,245 decrease in general and administrative expenses over the comparative year's period is explained for the most part by a $73,456 decrease in professional fees ($276,586 in 2008 vs. $203,130 in 2009); a $61,360 decrease in management and consulting ($321,725 vs. $260,365 in 2009); and a decrease of $56,278 in shareholder relations expenses ($102,269 in 2008 vs. $45,991 in 2009). The Company's legal expense was higher in 2008 as the use of legal advisors during negotiations to execute definitive agreements with Anglo Platinum and Wesizwe Platinum took place in 2008. Shareholder relations expense, and management and consulting fees decreased as the Company attended less trade shows and hired fewer consultants. Offsetting some of these decreased expenses was a foreign exchange loss of $9,034 compared to a foreign exchange gain of $ 136,506 in 2008.

Apart from the realized gain of $2,100,080 on marketable securities net interest of $35,444 (2008 - $102) earned on cash deposits during the period and cost recoveries from partners of $59,132 (2008 - $60,923), the Company had no significant revenues. In the previous year in October 2008 the Company closed a non-brokered private placement for net cash proceeds of $7,308,081, and in June 2009 the Company closed a brokered offering for net cash proceeds of $32,155,218. In a short form prospectus dated June 10, 2009, the Company estimated that net proceeds received by the Company from the offering would be between $29,732,827 and $34,234,001 dependent upon the Over-Allotment Option. The Company noted its intentions in the short form prospectus for use of proceeds as approximately $28,000,000 of the net proceeds to pay Anglo Platinum pursuant to the WBJV Restructuring, for the equalization of ounces contributed by Anglo Platinum to the WBJV pursuant to the WBJV Restructuring. The remainder of the net proceeds will be used for general working capital. The payment for equalization has been calculated at January 14, 2009 using current exchange rates as approximately $26 million.

At the date of this MD&A the proceeds raised in its June 2009 short form prospectus offering remain on hand and the Company still plans that these funds will be expended according to the use of proceeds as detailed above and in the June 2009 short form prospectus.

Total global exploration and engineering expenditures for the Company's account, including the Company's share of WBJV expenditures during the period, totaled $179,961 (2008 - $465,331). Of this amount $168,265 was for the WBJV (2008 - $387,566) and $11,696 was for other exploration (2008 - $77,765). Total WBJV expenditures during the period by all WBJV partners amounted to $389,737 (2008 - $747,694).

Activities for the WBJV have included research and data review, prospecting, mapping, detailed engineering, drilling of project areas, geophysical studies, geotechnical work, metallurgical studies and mine plan and scheduling work.

On January 10, 2007, the Company completed a positive pre-feasibility study for the Project 1 area of the WBJV. During 2007 the WBJV then commissioned a Feasibility Study for the Project 1 area of the WBJV, which was completed and delivered to the partners of the WBJV on June 30, 2008.

An Updated Feasibility Study and revised resource estimation for the Project 1 area of the WBJV was announced October 8, 2009 entitled "Technical Report (Updated Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)" and was filed by the Company on www.sedar.com on November 25, 2009. The revised resource estimation indicates that measured and indicated resources have increased as a result of further drilling in the Project 1 & 1A areas. These upgraded ounces have not yet been included in the mineable Reserves of the Updated Feasibility mine plan.

The Updated Feasibility Study recommends a series of five simultaneous declines accessing the deposit with a mining rate of up to 156,000 reef tonnes per month, which provides 13 years of steady state tonnage production. First ore is reached by development 13 months from the commencement of underground work. Mining is only scheduled on the reserves. There are further defined resources in the Project 1 area which represent additional production potential. The mining and development plan includes conventional hand held drilling utilizing electrical drills and scraper winch cleaning.

The Project 1 mine design as described in the Updated Feasibility Study involves the construction of a platinum mine and concentrator to produce approximately 275,000 ounces of combined platinum, palladium, rhodium and gold ("4E") in concentrate per year steady state for 9 years with a 22 year total underground mine life. The capital cost for the mine and concentrator complex were estimated at R3.55 billion (approximately $505 million at the time of writing) for peak funding and R4.76 billion (approximately $677 million at the time of writing) for life of mine funding. The current peak funding capital cost estimate is approximately R500 million (approximately $71 million) lower than the July 2007 estimate, primarily due to the reduction in capital costs which resulted from a design change from 100% diesel self electrical generation capacity to a 25% stand by capacity as well as from improved mine development planning.

Results of the Updated Feasibility Study show a 23.54% Internal Rate of Return (pre-tax) Base Case, using 3 year trailing metal prices to September 2009, calculated on the monthly averages including US$1,343 per ounce for platinum. The Updated Feasibility Study model does not include escalation due to inflation of costs or metal prices.

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

The Company also maintains two other projects in South Africa on the North Limb of the Bushveld Complex, Tweespalk and War Springs, both currently the subject of renewed consideration. During 2008 the Company conducted new soil and geological surveys on the War Springs project. On March 17, 2008 the Company published a revised and updated resource calculation for the War Springs project based on drilling and exploration work conducted in the last three years. (See Item 2d. "Exploration Programs and Expenditures" below).

On March 5, 2009 the Company announced an agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC"), an incorporated administrative institution of the Government of Japan, whereby they may earn up to a 35% interest in the Company's rights to the War Springs project for an optional work commitment of US$10 million over 5 years. The first year firm commitment of US$500,000 was completed with approximately 4,102 metres drilled to March 31, 2009. After March 31st a further 4,511 metres was drilled to November 30, 2009. Total expenditures incurred by JOGMEC to November 30, 2009 amounted to approximately $1,500,590. At January 5, 2010 another 1,518 metres had been drilled since the November 30, 2009 quarter end. Further work programs for the War Springs project in to be funded by JOGMEC in 2010 are currently being planned.

During the previous year the Company conducted a new business generative program in South Africa. Research and implementation, including the staking of several new license areas on or near to the Bushveld Complex, cost approximately $51,029. The Company has received the grant of several new prospecting permits as a result of this work.

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

For more information about the WBJV and the Company's other mineral properties, please refer to Notes 5. and 6. of the Company's November 30, 2009 unaudited financial statements and below.

The Company's compliment of staff, consultants and casual workers consists of approximately 40 individuals at present. Office space and support services in Canada and South Africa were maintained at similar levels in 2009 as compared to 2008.

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

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

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

Explanatory Notes:

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

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

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

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

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

Quarter Ending	Interest & Other Income(1)	Net Gain (Loss)(2)	Net Earnings (Loss) per Share
November 30, 2009	$35,444	$592,253	$0.01
August 31, 2009	$41,315	($2,036,467)	($0.02)
May 31, 2009	$73,959	($1,478,807)	($0.02)
February 28, 2009	$24,172	($1,665,682)	($0.03)
November 30, 2008	$102	($2,100,438)	($0.03)
August 31, 2008	$22,396	($1,143,001)	($0.02)
May 31, 2008	$38,027	($1,367,784)	($0.02)
February 29, 2008	$78,337	($1,450,600)	($0.02)

Explanatory Notes:

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

(2) Net gains (losses) by quarter are often materially affected by the timing and recognition of large non-cash income, expenses or write-offs. For example, the quarter ended November 30, 2009 includes a non-cash

charge for stock based compensation in the amount of $137,600, and a non cash gain realized on marketable securities of $2,100,080. The quarter ended August 31, 2009 includes a non-cash charge for stock based compensation in the amount of $705,750, the quarter ended May 31, 2009 includes a non-cash charge for stock based compensation in the amount of $219,535, the quarter ended February 28, 2009 includes a non-cash charge for stock based compensation in the amount of $373,042, the quarter ended November 30, 2008 includes a non-cash charge for stock based compensation in the amount of $802,409, the quarter ended August 31, 2008 includes a non-cash charge for stock based compensation in the amount of $Nil, the quarter ended May 31, 2008 includes a non-cash charge for stock based compensation in the amount of $187,931, and the quarter ended February 29, 2008 includes a non-cash charge for stock based compensation in the amount of $250,830. After adjusting these non-cash charges, the results for the quarters listed show a more consistent trend, with a general growth in expenses over time that is consistent with the Company's increased exploration and corporate activities over the past two years as described above at "Discussion of Operations and Financial Condition".

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

b) Trend Information

Other than the financial obligations as set out in the table provided at Item 6. below, there are no demands or commitments that will result in, or that are reasonably likely to result in, the Company's liquidity either increasing or decreasing at present or in the foreseeable future. The Company will require additional capital in the future to meet both its contractual and non-contractual project related expenditures as set out in the table at Item 6. It is unlikely that the Company will generate sufficient operating cash flow to meet all of these expenditures in the foreseeable future. Accordingly, the Company will need to raise additional capital by issuance of securities or by a sale or partnering of project interests in order to meet the payment requirements of the consolidation transaction (as referred herein) announced September 2, 2008.
See discussions at item 2. a) "Results of Operations" above and at item 6. "Liquidity and Capital Resources" below. The Company has completed a Feasibility Study for the Project 1 area of the WBJV. If a production decision is taken the Company will most likely pursue both equity and debt financing for its share of the capital requirements for that project.

From mid calendar 2008 until early 2009 there had been a negative trend with regard to the market for metal commodities and related products. Although still somewhat volatile and uncertain, these markets have improved since that time. See "Economic and Political instability may affect the Company's business" under Item 2c. "Risk Factors" below.

c) Risk Factors

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

General

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

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

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

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

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

Economic and Political instability may affect the Company's business

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

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

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

The Company may be adversely affected by foreign currency fluctuations. The Company is primarily funded through equity investments into the Company denominated in Canadian Dollars. In the normal course of business the Company enters into transactions for the purchase of supplies and services denominated in South African Rand. The Company also has cash and certain liabilities denominated in South African Rand. Several of the Company’s options to acquire properties or surface rights in the Republic of South Africa may result in payments by the Company denominated in South African Rand or in U.S. Dollars. Exploration, development and administrative costs to be funded by the Company in South Africa will also be denominated in South African Rand. Fluctuations in the exchange rates between the Canadian Dollar and the South African Rand or U.S. Dollar may have an adverse or positive affect on the Company. In the past year to January 14, 2010 the South African Rand has appreciated to the Canadian dollar by approximately 9% and the Canadian dollar has appreciated to the American dollar by approximately 15%.

The Company’s properties are subject to title risks

The Company’s properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. These defects could adversely affect the Company’s title to such properties or delay or increase the cost of the development of such properties. In addition, the Company’s properties may be subject to aboriginal or other historical rights that may be claimed on Crown properties or other types of tenure with respect to which mineral rights have been conferred. The Company is not aware of any aboriginal land claims having been asserted or any legal actions relating to native issues having been instituted with respect to any of the mineral properties in which the Company has an interest. The Company is aware of the mutual benefits afforded by co-operative relationships with indigenous people in conducting exploration activity and is supportive of measures established to achieve such co-operation. The Company is currently awaiting transfer and registration of prospecting permit rights for the WBJV into a holdco under the 74% deal announced in September 2008. See more detail below under “d) Exploration Programs and Expenditures – Western Bushveld Joint Venture.”

Environmental risk

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

The mineral exploration industry is extremely competitive

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

Metal prices affect the success of the Company's business

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

d) Exploration Programs and Expenditures *General*

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

Mineral property acquisition and capital costs deferred during the period totaled $15,706 (2008 - $42,186). Of this amount acquisition costs relating to the Company's pro-rata share of the WBJV amounted to $Nil (2008 - $25,644). The balance of $15,706 (2008 - $16,542) was spent on other mineral property costs in Canada and South Africa.

Exploration costs incurred globally in the period for the Company's interests totaled $179,961 (2008 - $465,331). Of that amount $Nil (2008 - $Nil) was incurred on the Company's Canadian properties and $179,961 (2008 - $465,331) was incurred on the Company's South African properties. Of the South African amount, $168,265 was for the Company's share of WBJV expenditures (2008 - $387,566). The total amount (100%) of exploration expenditures by all Joint Venture partners for the year for the WBJV came to $389,737 which was lower than the 100% amount spent for the same period last year (2008 - $747,694).

During the period there were no write-offs in deferred costs relating to South African or Canadian projects, and there were no write-offs during the prior period. For more information on mineral properties, see Note 5 and 6 of the Company's November 30, 2009 unaudited Financial Statements.

Western Bushveld Joint Venture

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

The Company is the operator of the WBJV. From October 2004 to April 2006, the Company funded a required exploration program in the amount of Rand 35 million. Since then, the partners of the WBJV have funded their portion of further expenditures pro-rata based upon their working interest in the Joint Venture. Activities for the WBJV have included research and data review, prospecting, mapping, detailed engineering, drilling of project areas, geophysical studies, geotechnical work, metallurgical studies, pre-feasibility and feasibility studies, and mine plan and scheduling work.

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

Under the terms of the original WBJV agreement, once a final Feasibility Study has been completed and a decision to mine has been taken the respective deemed capital contribution of each party will be credited based on their contribution of measured, indicated, and inferred PGM ounces from the contributed properties comprising the WBJV, determined in accordance with the South African SAMREC code. Under the terms of the original WBJV Agreement, inferred ounces will be credited at US$0.50 per ounce, indicated ounces will be credited at US$3.20 per ounce and measured ounces will be credited at US$6.20 per ounce. The Company will also be credited for its Rand 35 million expenditure as described above. For the later contribution of Portion 11 to the WBJV the original credit rates for equalization as described above have been amended to US$0.62 per inferred ounce, US$10.37 per indicated ounce and US$39.55 per measured ounce in order to adjust for market conditions at the time. At the time of writing the estimated equalization payment due to Anglo Platinum by the Company is approximately $26.6 million including accrued interest since January 1, 2009.

On September 2, 2008 the Company announced that the parties to the WBJV had agreed to terms whereby the ownership of the WBJV would be consolidated and rationalized (the "Consolidation Transaction") (see the Company's September 2, 2008 announcement), and on December 9, 2008 the Company announced that it had executed definitive agreements in this regard. Under the terms PTM has the right to acquire effective ownership of 74% of WBJV Projects 1 and 3 and Wesizwe will acquire 100% of Project 2 and 26% of Projects 1 and 3. The transactions are to become effective upon fulfillment of all conditions precedent and regulatory approvals including the approval of the Department of Mineral Resources, Republic of South Africa, for Section 11 transfers of mineral rights pursuant to the Mineral and Petroleum Resources Development Act. At the time of this report all conditions precedent have been satisfied with the exception of the receipt of several outstanding approvals for Section 11 transfers and the registration of titles. These final conditions are expected to be complete in early 2010. Once all title transfers and registrations are complete, the Company's equalization payment will be due to Anglo Platinum, as described above.

Upon the effective date of the Consolidation Transaction, Anglo Platinum will vend its 37% interest in the WBJV to Wesizwe in exchange for common shares representing approximately a 26% interest in Wesizwe. PTM will concurrently acquire a 54.75% interest in Projects 1 and 3 through a direct shareholding in a corporation that will hold all of the interests in Project 1 and 3 ("Holdco"), the other 45.25% being held by Wesizwe. PTM will also acquire a right to subscribe for additional shares in Holdco to increase its stake in projects 1 and 3 to 74%. In exchange PTM will deliver to Wesizwe PTM's interest in Project 2 valued at R376.9 million (approx. C$54 million) and a cash payment of R408.6 million (approx. C$58 million). The R408.6 million cash payment will be made by PTM to Holdco for the subscription of shares as described above. The subscription payment will be due 270 days after the effective date of the Consolidation Transaction. The payment proceeds will be held in escrow by Holdco to be applied towards Wesizwe's 26% share of funding for Projects 1 and 3. Should the Company not make all of the required cash subscription, its interest in the projects would be reduced accordingly, unless Wesizwe and the Company agree upon alternative arrangements.

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

A Feasibility Study for Project 1 of the WBJV was delivered to the partners on June 30, 2008 and results thereof were published by the Company in a news release dated July 7, 2008. An Updated Feasibility Study and revised resource estimation for the Project 1 area of the WBJV was published by the Company on October 8, 2009.

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

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

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

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

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

WBJV Project 1 – 100% Basis

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

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

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

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

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

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

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

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

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

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

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

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

Merensky

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

UG2

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

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

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

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

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

The updated Project 1 mine design involves the construction of a platinum mine and concentrator to produce approximately 275,000 ounces of combined platinum, palladium, rhodium and gold ("4E") in concentrate per year steady state for 9 years with a 22 year total underground mine life. The capital cost for the mine and concentrator complex were estimated at R3.55 billion (approximately $505 million at the time of writing) for peak funding and R4.76 billion (approximately $677 million at the time of writing) for life of mine funding. The current peak funding capital cost estimate is approximately R500 million (approximately $71 million) lower than the July 2007 estimate, primarily due to the reduction in capital costs resulting in a design change from 100% diesel self electrical generation capacity to a 25% stand by capacity as well as from improved mine development planning.

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

Project 1 Resource Calculation Detail

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

Project Area 3 – Mineral Resource Statement

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

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

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

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

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

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

Project 3 Resource Calculation Detail

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

Northern Limb, Bushveld - War Springs and Tweespalk Properties

On June 3, 2002, the Company acquired an option to earn a 100% interest in the 2,396 hectare War Springs property and the 2,177 hectare Tweespalk property both located in the Northern Limb or Platreef area of the Bushveld Complex north of Johannesburg. The Company now holds New Order prospecting permits on 100% of this territory. Acquisition and exploration costs on these properties net of recoveries to November 30, 2009 total $3,374,745 (2008 - $3,356,192). The Company can settle the vendors' residual interests in these mineral rights at any time for US$690 per hectare. The Company pays annual prospecting fees to the vendors of US$3.25 per hectare. The vendors retain a 1% NSR Royalty on the properties, subject to the Company's right to purchase the NSR at any time for US$1.4 million.

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

On March 5, 2009 the Company announced an agreement with JOGMEC, an incorporated administrative institution of the Government of Japan, whereby they may earn up to a 35% interest in the Company's rights to the War Springs project for an optional work commitment of US$10 million over 5 years. The first year firm commitment of US$500,000 was completed with approximately 4,102 metres drilled to March 31, 2009. Drilling was undertaken after March 31st and a further 4,511 metres were drilled to November 30, 2009. Total expenditures incurred by JOGMEC to November 30, 2009 amounted to approximately $1,500,590. At January 5, 2010 another 1,518 metres were drilled since November 30, 2009 quarter end. Further work programs for the War Springs project to be funded by JOGMEC in 2010 are currently being planned.

To November 30, 2009 approximately $1,500,590 of work has been funded or approved for work on the War Springs project by JOGMEC. At November 30, 2009 an amount of $295,636 was receivable from JOGMEC for work completed under approved work programs and this amount was subsequently received.

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

100% Basis

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

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

The War Springs Mineral Resource is characterised by two distinct reef layers, termed the "B" and "C" reefs. Both reefs are typically greater than 6 metres thick. The reefs outcrop on surface and extend down dip in parallel sheets at a 65 degree angle to a depth of 400 metres, remaining open at depth. A 5% geological loss has been applied.

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

Lac Des Iles Area Properties, Ontario

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

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

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

The Company has conducted small work programs on its Lac Des Iles projects during 2008 and 2009. A 1,125 metre drill program was completed on the projects in the first quarter of 2008 and a further 978 metres was completed in February of 2009. Encouraging exploration results for palladium, platinum, nickel and copper continue to be returned and the Company plans to invest further in this area in the future.

e) Administration Expenses

The Company maintains a corporate office in Canada and both a corporate and field office in South Africa. The Company has grown substantially in recent years. Before a non-cash charge for stock based compensation of $137,600 (2008 - $802,409), and not including interest in the period of $35,444 (2008 - $102), general and administrative expenses totaled $1,225,233 (2008 - $1,288,136). The costs described above include management and consulting fees of $260,365 (2008 - $321,725); office and miscellaneous expenses of $31,797 (2008 - $51,777); professional fees of $203,130 (2008 - $276,586); salaries and benefits of $370,556 (2008 - $364,891); shareholder relations expense of $45,991 (2008 - $102,269); travel expenses of $108,048 (2008 - $124,353); news release, print and mailout expenses of $27,669 (2008 - $17,504) and promotion expenses of $35,142 (2008 - $39,943).

f) Related Party Transactions

Management, consulting fees and salaries incurred with directors and officers during the period amounted to $102,384 (2008 - $102,135). Of this amount, approximately $56,134 (2008 - $55,885) was paid as fees to the Company's President, and $46,250 (2008 - $46,250) was paid as salary for the Company's CFO. At November, 2009 there were $Nil in fees (2008 - $10,284) owed and included in accounts payable.

The Company provides services at market rates for day-to-day administration and accounting to MAG Silver Corp. ("MAG"), a company with two common directors and a common officer. There are no long term obligations or commitments between the parties with relation to the provision of these services. Fees received are credited by the Company against its own administrative costs.

The Company received service fees of $33,571 (2008 - $33,923) during the period from MAG. Amounts receivable from MAG at the end of the period include an amount of $33,087 for fees due (2008 - $37,206). The service fees the Company receives from MAG will be wound down as MAG is adding staff to carry out these services itself.

During the period the Company accrued or received service fees of $6,000 (2008 – $27,000) from West Timmins Mining Inc. ("WTM"), a company which prior to being acquired by Lake Shore Gold Corp, had three common directors and a common officer. Amounts receivable from WTM at the end of the year included an amount of $19,088 for administration fees and other trade receivables (2008 – $31,287). These service fees were terminated as of December 31, 2009.

During the period ended November 30, 2005, the Company entered into an office lease agreement with Anthem Works Ltd. ("Anthem"), a company with a common director. During the period ended November 30, 2009 the Company accrued or paid Anthem $21,836 under the office lease agreement (2008 - $21,367). The space occupied approximates one third of 6,050 square feet in a first tier building located in downtown Vancouver, British Columbia. The rental rate was negotiated on an "arm's length basis".

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

g) Shareholder Relations' Expenses

Shareholder relations' expense during the period totaled $45,991 (2008 - $102,269). The decrease from the prior year is due to more normalized expenditures for the period, whereas in the previous year the volatile economic circumstances required greater effort and spending in this cost area. The Company manages its shareholder relations as an internal function and the Company actively seeks to raise its profile with both retail and institutional investors. From June 2005 to present Mr. Tony Mahalski of LM Associates in London, U.K., has been engaged for a fee of GBP 1,000 per month for the purpose of general business development and the raising of the Company's profile in Europe.

h) Travel and Promotion Expenses

Travel expenses for the period amounted to $108,048 (2008 - $124,353). These activities relate to the supervision of ongoing operations in South Africa and Canada, new property investigations and meetings with potential and current institutional and sophisticated investors. Travel related to all of these activities was lower during the period than in the same period in 2008. Promotional expenses in the period amounted to $35,142 (2008 - $39,943) and these costs relate to design work, media relations, printed material, postage and trade show attendance and efforts were made to reduce such costs during the period.

i) Property Acquisition and Capital Expenses

Property acquisition expenditures and capital costs during the year totaled $15,706 (2008 - $42,186). These expenditures were incurred to acquire or maintain option rights to South African mineral properties.

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

During the year ended August 31, 2008 the Company purchased surface rights adjacent to the WBJV Project 1 deposit area measuring 216.27 hectares at a price of Rand 8.0 million (approx. C$1.09 million). During the 2008 year the Company also entered into an agreement for the purchase of surface rights directly over a portion of the WBJV Project 1 deposit area measuring 358.79 hectares for the price of Rand 15.07 million (approx. C$2.07 million). Prior to August 31, 2008 the Company paid a 10% deposit of Rand 1.507 million (approx. C$0.20 million) for this property and the balance of Rand 13.562 million (approx. C$1.953 million) was accrued as a payable at August 31, 2008 and later paid in March 2009 to initiate statutory registration of the surface rights in the Company's name. The rights to these two properties are to the benefit of the Company only and are distinct from the 365.64 hectare Elandsfontein Farm held for the benefit of the WBJV as described above.

j) Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

3. CRITICAL ACCOUNTING ESTIMATES

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

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

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

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

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

For its 2005 fiscal year, The Company adopted CICA Handbook Section 3870 – Stock-Based Compensation and other Stock-Based Payments, which requires the fair value method of accounting for stock options. Under this method, the Company is required to recognize a charge to the income statement based on an option-pricing model based on certain assumptions. For the year ended August 31, 2009 the assumptions were as follows; no dividends were paid, a weighted average volatility of the Company's share price of 77.97%, a weighted average annual risk free rate of 2.59 per cent and an expected life of 3.21 years. The resulting weighted average option pricing resulted in an expense for stock options in the year ended August 31, 2009 of $2,518,107. Of the $2,518,107 in cost calculated for August 31, 2009 an amount of $2,100,736 was expensed while $417,371 was capitalized to deferred mineral property exploration costs in the Company's WBJV interest. In the period ended November 30, 2009 no stock options were granted. Of the $164,894 in cost calculated for November 30, 2009 for options vested in the period an amount of $137,600 was expensed while $27,294 was capitalized to deferred mineral property exploration costs in the Company's WBJV interest, not including gross up FIT liability of $10,900.

4. SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are set out in Note 2 of its Financial Statements for the period ended November 30, 2009. There are several policies that are significant to the financial results of the Company.

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

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

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

5. RECENT ACCOUNTING PRONOUNCEMENTS

CICA Section 3064, *Goodwill and Intangible Assets*, replaces Section 3062, *Goodwill and Other Intangible Assets* and Section 3450, *Research and Development Costs*. In February 2008, the CICA issued the new pronouncement establishing revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and startup costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. The adoption of CICA Section 3064 did not result in a material impact on the Company's consolidated financial statements.

On March 27, 2009, the Canadian Institute of Chartered Accountants ("CICA") approved EIC 174, "*Mining Exploration Costs".* The EIC provides guidance on capitalization of exploration costs related to mining properties in particular and on impairment of long-lived assets in general. The Company has applied this new abstract at the date of issuance resulting in no impact on its consolidated financial statements.

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

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

6. LIQUIDITY AND CAPITAL RESOURCES

From mid calendar 2008 until early 2009 there had been a negative trend with regard to the market for metal commodities and related products as a result of global economic uncertainty, reduced confidence in financial markets, bank failures and credit availability concerns. These macro-economic events negatively affected the mining and minerals sectors in general. Although conditions have improved considerably in the past year, the Company will consider its business plans and options carefully going forward into 2010. The Company intends to preserve its cash balances to the greatest extent possible.

During the period the Company issued a total of 33,000 (2008 – 4,975,470) common shares for net cash proceeds of $36,200 (2008 - $7,320,931). Cash proceeds are primarily spent on mineral property and surface right acquisitions, exploration and development as well as for general working capital purposes. The Company's primary source of capital has been from the sale of equity. At November 30, 2009 the Company had cash, cash equivalents on hand of $31,877,499 compared to $7,903,077 at November 30, 2008.

The Company receives lump sum cash advances at various times as laid out in agreed budgets from its joint venture partners to cover the costs of the WBJV and JOGMEC. The balance of cash outflows is made up of management and consulting fees and salaries of

$630,921 (2008 - $686,616) and other general and administrative expenses of $594,312 (2008 - $601,520).

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

Payments by period in Canadian Dollars					
	Total	< 1 Year	1 – 3 Years	3 – 5 Years	> 5 Years
Equalization amount due Anglo Platinum(1)	$26,200,000	$26,200,000	$0	$0	$0
Purchase price due Wesizwe Platinum(1)	$58,100,000	$58,100,000	$0	$ 0	$0
Past Exploration Costs due Wesizwe Platinum(1)	$2,115,000	$2,115,000	$0	$0	$0
Optional Acquisition Payments (War Springs & Tweespalk)(2)	$3,336,500	$3,336,500	$0	$0	$0
Lease Obligations	$63,203	$51,347	$ 11,856	$0	$0
Totals	**$89,814,703**	**$89,802,847**	**$11,856**	**$ 0**	**$ 0**

Explanatory Notes:

(1) The requirement to pay and the due date of these items is dependent upon the effective date of the transaction announced September 2, 2008. The effective date is expected in early 2010. The equalization amount is denominated in Rand and is estimated at Rand 165 million at period end. The Wesizwe purchase amount is also denominated in Rand and is set at Rand 408 million. The past exploration costs due to Wesizwe are set at US $2.0 million. See discussions at item 2. a) "Results of Operations" and item 2. d) “Exploration Programs and Expenditures” above and discussion below in this section.

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

As detailed in the table above, the Company will be required to pay an equalizing amount under the terms of the WBJV agreement based on the measured, indicated and inferred 4E PGE ounces reported in a Feasibility Study. Under the original terms of the WBJV this equalization amount would be due to Anglo Platinum only after a decision to mine is taken by the partners of the WBJV, or as detailed below. See item 2. d) “Exploration Programs and Expenditures” above for details of how the equalizing payment will be calculated.

Should the Consolidation Transaction announced September 2, 2008 become effective, the equalization amount will become due to Anglo Platinum on the effective date of the final agreement. The effective date will occur once all conditions precedent have been fulfilled. It is anticipated this date will be in early 2010. In the event the Company does not make the equalization payment on the date required, Anglo Platinum can elect to extend the payment deadline for up to six months, with interest, or may elect to take payment in common shares of Wesizwe, at which point the right to accept the equalization payment would transfer to Wesizwe.

Also as detailed in the table above, under the terms of the Consolidation Transaction, the Company would be required to make both a purchase payment and past exploration cost payment to Wesizwe. The purchase payment would be due nine months after the effective date of the final agreement. See Item 2. a) “Results of Operations” for more detail. In the event the Company does not make the required Wesizwe purchase payment, Wesizwe would have the right to dilute the Company for up to a 19% reduction in its 74% interest in Projects 1 and 3, taking the Company to a 55% interest position.

Cash at November 30, 2009 is sufficient to fund the general operation costs of the Company well into fiscal 2010, but will be insufficient to cover the payments envisioned should the proposed transaction announced September 2, 2008 become effective. The Company is considering and analyzing various strategies to maximize shareholder value going forward. One strategy would be to simply conserve working capital and look toward potential traditional construction financing in 2010. The Company continues to discuss financing possibilities with several large banks who have expressed interest to be involved in the financing of Project 1. A second option would be to consider a strategic partner who has the financial ability to finance Project 1 construction costs, possibly with a metal price instrument or hedge. A third option would be to sell some or all of the South African projects at the most favorable price for shareholders. All three options are currently being pursued.

7. OUTSTANDING SHARE DATA

The Company has an unlimited number of common shares authorized for issuance without par value. At November 30, 2009 there were 92,848,667 common shares outstanding, 6,116,625 incentive stock options outstanding and 12,537,150 common share purchase warrants outstanding. During the period ending November 30, 2009, the Company made no changes to the exercise price of outstanding options through cancellation and reissuance or otherwise.

At January 14, 2010 there were 92,848,667 common shares outstanding, 6,116,625 incentive stock options outstanding and 12,537,150 common share purchase warrants outstanding.

8. DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings made pursuant to both U.S. Securities and Exchange Commission and Canadian Securities Administrators requirements are recorded, processed, summarized and reported in the manner specified by the relevant securities laws applicable to the Company. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Company operates in both Canada and the Republic of South Africa and work is ongoing to improve and modernize these controls and to ensure that they remain consistently applied in both jurisdictions. The Chief Executive Officer and the Chief Financial Officer have evaluated the Company’s disclosure control procedures as of November 30, 2009 through inquiry, review, and testing, as well as by drawing upon their own relevant experience. The Company retained an independent third party specialist in 2009 to assist in the assessment of its disclosure control procedures. The Chief Executive Officer and the Chief Financial Officer have concluded that, as at November 30, 2009, the Company’s disclosure control procedures were effective. Management is also developing and implementing a plan to address disclosure controls and procedures on a forward looking basis as the Company continues to grow.

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

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

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

During the year ended August 31, 2007, the Company effected changes in internal control over financial reporting that have materially affected, or may materially affect, the Company's internal control over financial reporting. The Company has (i) taken steps to improve segregation of duties and the authorization process through the addition of accounting personnel; and (ii) reviewed and refined internal control processes; and (iii) adopted and published new corporate governance policies; and (iv) reviewed and improved general controls over information technology; and (v) enhanced financial control over period close processes. During the period ended November 30, 2009 there were no significant changes with regard to internal control over financial reporting that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, and evaluating the effectiveness of the Company's internal control over financial reporting as at each fiscal year end. Management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of the Company's internal control over financial reporting as at November 30, 2010. Based on this evaluation, management has concluded that as at November 30, 2009, the Company's internal control over financial reporting was effective.

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

9. NYSE AMEX LLC CORPORATE GOVERNANCE

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

10. OTHER INFORMATION

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

11. SUBSEQUENT EVENTS

Subsequent to the end of the period the Company purchased Rand 94,890,511 at a rate of 7.3 Rand to each Canadian dollar for a total cost of $13.0 million. Of the proceeds Rand 6.0 million was used for operations in South Africa and the balance was placed in an interest bearing account with Standard Bank. The Company has begun to accumulate a cash position in Rand in preparation for settlement of an equalization payment due to Anglo Platinum. See Item a. "Results of Operations" and Item d. "Exploration Programs and Expenditures *General"* under heading 2. "Discussion of Operations and Financial Condition" above for more detail about equalization).

Subsequent to the end of the period the Company sold its holding of 584,000 shares of Lake Shore Gold Corp. for net proceeds of $2,304,160.

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

12. LIST OF DIRECTORS AND OFFICERS

a) Directors:

R. Michael Jones

Frank R. Hallam (Secretary)

Iain McLean

Eric Carlson

Barry W. Smee

b) Officers:

R. Michael Jones (Chief Executive Officer)

Frank R. Hallam (Chief Financial Officer)

Peter C. Busse (Chief Operating Officer)