



Bongani Mbindwane  
Chief Executive Officer



## Letter to Shareholders

April 2010

### Dear Shareholders

I have spoken to a number of shareholders in recent months. This shareholder communiqué is another effort to ensure that all shareholders have the full picture of where we are. We welcome shareholder interaction and urge any shareholders and stakeholders who have queries to be in contact with us. Any queries should be addressed to [bongani@platfields.co.za](mailto:bongani@platfields.co.za).

#### Shareholder caution advised

It has come to our attention that offers of Platfields shares are made from time to time by various individuals, financial brokers or advisors. It should be noted that the company advises that it neither endorses nor approves of such offers, their content, supporting documentation and the marketing materials associated with such offers, the basis of such offers or any of the terms thereof.

The Board has previously announced that Platfields is in the process of applying to the JSE Limited for the listing of Platfields' ordinary shares. The listing process is ongoing and is being pursued by Platfields with determination, but it remains subject to regulatory approval and to market conditions prevailing at or around the time such regulatory approvals have been obtained. Platfields shares are not available to the public for trade or exchange at this stage.

Investors and shareholders are assured that any offer of shares by Platfields at any time will be accompanied by full particulars regarding Platfields and the offer, clearly reflecting that it has been prepared by or on behalf of Platfields.

Investing in securities involves risk; investors are thus advised to exercise caution when considering all offers of securities made to them by individuals or entities.

- Prior to making an investment decision, prospective investors should consider carefully all of the information publicly available regarding Platfields, in particular the annual financial statements and other information made available on Platfields' website, [www.platfields.co.za](http://www.platfields.co.za).

- Platfields' shares are not listed or traded on any exchange and so there is only limited transparency for investors on the market for such shares, including but not limited to their liquidity or price. Any forecasts or promises of the potential price of Platfields' shares made by any broker or financial advisor are mere speculation.

#### Progress on the listing

We must acknowledge that some regulatory approvals are still outstanding, the most significant being the Department of Mineral Resources' (DMR) approval of our section 11 applications on the Platmile acquisition and others. We would like to reassure you that we are currently engaged at a high level with the DMR and are redoubling our efforts to fulfill the department's requirements in this regard. We emphasise that it remains Platfields's business plan to ultimately list its shares on the JSE to enable the company to progress its business further and be in a better position to raise capital for operations.

#### Progress on current activities

Nevertheless, and in spite of delays in certain areas, we have made progress in a number of other areas. We have sufficient cash for our current operational activities, while the precious metals markets have performed really well, creating a positive climate for investors as we work towards a listing at the end of the second half of the year. At the same time we have not let up in our efforts in finalising the technical work within our control in order to expedite this process. Shareholders are once again alerted to the fact that any listing application is no guarantee for acceptance by the JSE. The listing application will entirely be dependent on the JSE approving same and indeed prevailing market conditions being conducive including the Ministers' consent in terms of our section 11 applications before DMR.

As we move rapidly forward on the exploration side, we have appointed new project managers, Agere Project Management,

as from 1 April 2010. Agere comes with a wealth of experience in the field of exploration and geological project management. We expect them to make a valuable contribution to the work we have already done. To complement this work, and in anticipation of the listing, we have also appointed the external, independent consultancy Minxcon in the role of Competent Person. Minxcon has an enviable reputation as an expert provider of exploration, mining, valuation, financing and other advisory services. Excellent work has already been done in updating our resource estimate and also in compiling our Competent Person's report, another requirement of the JSE listing. The Competent Person's Report compiled by independent consultant Minxcon will also advise management on whether the listing in the near future remains commercially sound or not. There will also be strategic decisions to be made on certain properties or projects that appear sub economic. This may include their disposal or write off.

### Exploration update

We have finalised the current phases of our drilling programme in all our projects. Data is being collated to better understand the extent and nature of the mineralisation.

- At the Berg project we have identified a UG2 reef inferred mineral resource of 3.57 million oz (4E) . With potential future drilling on the Merensky reef we will be targeting up to 21.98 million oz (4E).
- At the Liger project (formerly Leeuwkop and Tigerpoort) drilling is targeting between 1.20 and 10.71 million oz (4E) across both the Merensky and UG2 reefs.
- At our gold project, the Grootfonteinberg a resource target of between 0.04 and 3.55 Moz remains.

Agere and Minxcon will advise management on the best approach going forward in terms of our exploration strategy and modeling.

### Progress on BEE compliance

Our commitment to the Mining Charter and BEE in South Africa goes without saying. Our three-phased BEE transaction is almost complete, and comprises the following developments:

- **PHASE 1:** 14% of the issued share capital of the company (a separate class of share) awarded to a community and employee trust along with HDI company directors. Although these shares rank equal to the company's ordinary shares, they are not freely tradeable and have certain other restrictions imposed.
- **PHASE 2:** Built on the success of the first phase, and implemented only after extensive consultation with the DMR, this stage aims to grow the ownership of communities, employees, HDIs, directors and HDI shareholders in Platfields to 26%, which will be locked.

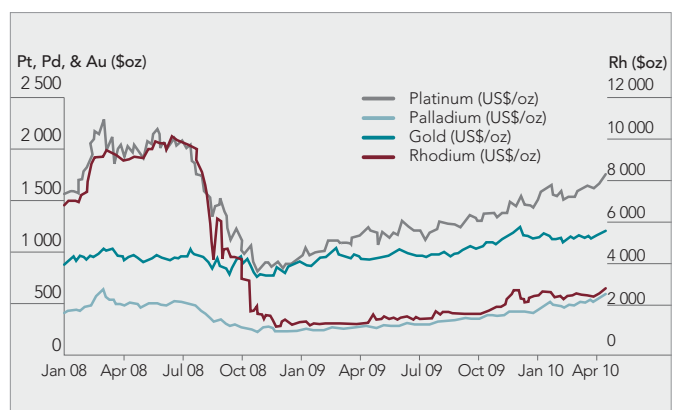
- **PHASE 3:** This phase, which will be introduced in weeks will invite all HDI shareholders to participate in this phase. Letters to shareholders are being prepared and will be posted accordingly. Shareholders who are HDI but do not receive their invitation must contact our offices in this regard.

I hope therefore that shareholders will derive some comfort from these developments: our business plan is on track and whilst we await the Minister's consent for the listing while we continue a parallel process of fulfilling this year's business objectives.

### Market update

Shareholders will also be aware of the recovery in the PGMs market in recent months following the dismal price levels experienced in mid-2008. Platinum recently reached levels above the US\$1,700/oz level and palladium reached US\$500/oz. While price levels are likely to continue in a range below these highs, demand remains robust, fuelled by exchange traded funds or ETFs.

Equity pricing, although somewhat recovered, has not yet responded fully to the metals prices and market liquidity remains tight. Ultimately, we will seek to list your company when market conditions are most conducive to realizing value, and present real opportunities for capital raising.



### In conclusion

We intend to keep shareholders informed of further drilling results, resource updates and other operational developments at the appropriate reporting times. Furthermore, we are committed to keeping shareholders apprised of developments on the road to a listing. Announcements in this regard will be available on our website in due course and as required.

**Bongani Mbindwane**  
Chief executive