

Letter to Shareholders

17 November 2008



Dear Shareholder,

Special General Meeting, 7 November 2008

It was a great pleasure for my fellow directors and me to be able to host so many of you at the Special General Meeting (SGM) of your Company in Cape Town on Friday, 7 November 2008.



Bongani Mbindwane
Chief Executive Officer

The purpose of this communication, which I hope will become a needs-driven feature of Platfields' pro-active investor relations programme going forward, is intended to provide those of you who were not able to join us at the SGM with an understanding of what transpired.

From regulatory and corporate governance perspectives, the SGM was an important occasion for Platfields Limited in its progress towards listing on the Main Board of the JSE Limited.

Special resolutions approved

There were special resolutions to be voted upon by shareholders relating to five matters, namely:

- the issue of shares to directors in terms of the Companies Act, sections 22 and 23;
- the Company's black economic empowerment (BEE) structure;
- changes to the Articles of Association;
- an increase in Share Capital; and
- completion of payment to the shareholders of Plat Mile (Pty) Limited for the mineral rights relating to Platfields' Berg Project.

I am pleased to report that all of the special resolutions were passed by simple majority.

Our thoughts about the global financial crisis, the PGM and gold markets, et al

I used the opportunity of the SGM also to make a short presentation to those shareholders who attended on:

- the markets for platinum group metals (PGMs) and the consequent impact on PGM equities against the background of the current global financial crisis;
- the gold market;
- the relative positioning of your Company and its share price performance in the over-the-counter (OTC) market;
- Platfields' exploration programme, with timings and costs; and
- our progress towards meeting the regulatory and other requirements relating to our JSE listing.

The presentation is available on the Platfields website, www.platfields.co.za, but allow me to make a few summary comments:

- Indisputably, the sustained slide in the prices of platinum, rhodium and palladium – the two former in particular – from historic highs in the first half of this year has been serious, driving down the prices of PGM equities by between 50% and 90% in most cases.
- The gold price, while on a generally upward trend since 2001, has failed to break through the \$1 000/oz 'psychological' barrier during the current financial crisis, causing observers to question whether the metal will continue to fulfil its historic role as an investment of last resort.

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- Pleasingly, the Platfields share has retained its value well in the current financial crisis, trading in the OTC market in a range between R2.00 and R2.70 since August 2008. Benchmarked against 45 listed PGM equities, the average decline in the Platfields' share price has been the smallest – 10%.
 - We continue to aggressively pursue our exploration programme, mindful that the near-surface mining potential of all three of our projects positions us very favourably in the current market which is generally risk-averse, cost-conscious and enamored more with short(er) term returns on investment than anything else. Our priority is our Berg PGM Project on the Eastern Limb of the Bushveld Complex, where Phase 1 (Stage 2) of a three-phase drilling programme to increase the confidence in the geology and category of stated Mineral Resources is well under way.
 - With respect to our JSE listing, we are well advanced with the necessary preparations; notably the Competent Person's Report and the Articles of Association have been accepted by the JSE and drafting of the Prospectus is nearing completion.

Listing – when?

Understandably, long-term investors in Platfields are keen to see their Company listed sooner rather than later. Your Board shares your enthusiasm and indeed, the Company has never been in a better state of preparedness for listing. It is imperative now, however, that we pace ourselves very carefully according to what is happening in the PGM equities market and time our listing for when there are some very clear signs of recovery. To list while general sentiment in our sector is low most certainly does not augur well for the share price appreciation and value enhancement we would all like to see. As we move towards the Festive Season with virtually no sign so far of market recovery, the likelihood of our listing before year-end becomes more remote; sometime during the first quarter seems more likely but we must continue to be informed by market conditions.

Your Board remains bullish for the medium- to long-term prospects of both the PGM and gold markets. History has shown that the fortunes of the resources sector as a whole are cyclical and that its recovery will happen. In respect of both PGMs and gold, the shortfall between growing demand and new supplies as recovery occurs will influence metal prices – and thus equity prices – favourably. Meanwhile, your Company will continue to seek value-enhancing, risk-reducing opportunities and to aggressively pursue these where it makes sense to do so.

Dematerialisation – switching your shares

I would like to briefly address a question that is emerging as one of concern to you all; that is, when the time comes to list, how do you switch your current Platfields shares for Platfields shares you can trade on the JSE? You may be aware that we have appointed Computershare Investor Services as our Share Registrar; in good time, Computershare will establish contact with you directly and via the Platfields website to advise you of the steps to be taken in respect of a process called 'dematerialisation'. In essence, this is validation of your paper share certificates and their replacement with an electronic record of ownership on the STRATE (Share Transactions Totally Electronic) system. The key advantages of dematerialisation are: your shares can be traded immediately on the JSE; your bank account can be credited with dividends on due date – no postal delays; and the risk of misplaced, tainted or forged shares is eliminated.

How to contact us

Should there be anything I have addressed here, or indeed anything at all you would like clarified, please do not hesitate to contact either me on 021 423-4536, info@platfields.co.za; or James Duncan at 011 880-3924, james@rair.co.za.

With kind regards.

Yours sincerely

Bongani Mbindwane
Chief Executive Officer
