

**PLATFIELDS LIMITED**

**FINANCIAL STATEMENTS**

*Eight months ended 28 February 2003*

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**Directors**

G Dreyer, S Erasmus, C Knobbs\*, S Oliver\*, J Motlatsi, S Twala

\* Executive

**Company secretary and registered address**

J Caddy  
Unit 1, Tuscan Gardens,  
168 14<sup>th</sup> Road, Noordwyk  
Midrand, 1685

**Registration number**

2002/005851/06

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**PLATFIELDS LIMITED**

**DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING**

*Eight months ended 28 February 2003*

The directors are responsible for the preparation, integrity and fair presentation of the financial statements and other financial information included in this report. In presenting the accompanying financial statements, South African Statements of Generally Accepted Accounting Practice have been followed, applicable accounting assumptions have been used while prudent judgments and estimates have been made.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the company will not be a going concern in the foreseeable future based on forecasts and available cash resources. The financial statements support the viability of the company.

The financial statements have been audited by the independent accounting firm, Fisher Hoffman PKF (Jhb) Inc, which was given unrestricted access to all financial records and related data, including all resolutions and minutes of all meetings of shareholders and the board of directors. The directors believe that all representations made to the independent auditors during the audit were valid and appropriate.

The business of the annual general meeting will be dealt with by a resolution of members.

The financial statements were approved by the directors on 28 November 2003 and are signed on their behalf.



C Knobbs

Directors



S G H Oliver

**CERTIFICATE BY COMPANY SECRETARY**

I hereby certify that, in accordance with section 268(G)(d) of the Companies Act 1973, as amended, the company has lodged with the Registrar of Companies all such returns as are required of a public Company in terms of the Act and that such returns are true, correct and up to date.



J CADDY  
Company Secretary

28 November 2003

**PLATFIELDS LIMITED**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS**

*Eight months ended 28 February 2003*

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We have audited the annual financial statements of Platfields Limited set out on pages 4 to 14 from 13 March 2002 (date of incorporation) to 28 February 2003. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

**Scope**

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

**Audit opinion**

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company at 28 February 2003 and the results of its operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

*Foster Hefner PRC (SA) Inc.*

Chartered Accountants (S.A.)  
Registered Accountants and Auditors  
Registration number 1994/001166/21  
Johannesburg  
28 November 2003  
AC/3220

# PLATFIELDS LIMITED

## DIRECTORS' REPORT

*Eight months ended 28 February 2003*

Your directors have pleasure in presenting the financial statements of the company for the eight months ended 28 February 2003, and report as follows :

### Nature of business

Platfields' core business is identifying, evaluating and developing commercial deposits of Platinum Group Metals located in the Bushveld Complex.

### General review

Platfields was incorporated as a private limited liability company on 13 March 2002 as Towerbrook Trading (Proprietary) Limited.

On 21 June 2002 it was converted to a public limited liability company and on 10 July 2002 its name was changed to Platfields Limited.

The activities during the first eight months focussed primarily on securing the prospecting rights and permits for the properties collectively called the Berg Project.

The Berg Project is located in the southeastern Bushveld Complex. It comprises mineral rights underlying the three contiguous farms Kliprivier 73JT (portions thereof), Klipbankspruit 76JT (100%) and Houtenbek 97JT (75%).

The costs incurred during the period related primarily to these activities. The company was funded through the issue of share capital to the initial promoters of the company.

### Share capital

<i>Authorised share capital</i>		R
13 March 2002	1 000 ordinary shares of R1 each	1 000
21 June 2002	5 000 ordinary shares of R1 each	5 000
28 June 2002	Converted to 600 000 000 ordinary shares of 0.001 cents each	
		<u>6 000</u>
<i>Issued share capital</i>		Number of shares
13 March 2002	100 ordinary shares of R1 each	
21 June 2002	Converted to 10 000 000 ordinary shares of 0.001 cents each	10 000 000
8 August 2002	141 330 600 ordinary shares of 0.001 cents each	141 330 600
15 October 2002	28 670 000 ordinary shares of 0.001 cents each	28 670 000
28 February 2003	3 756 693 ordinary shares of 0.001 cents each	3 756 693
		<u>183 757 293</u>

Additional shares were issued subsequent to the year end. The company is currently in the process of issuing a prospectus for a public offering of the company's shares, which is expected to be issued on or about 19 January 2004.

# PLATFIELDS LIMITED

## DIRECTORS' REPORT

*Eight months ended 28 February 2003*

### Directors

The directors in office are presented on page 1 and the changes during the period are detailed below :

J A Lupton	(appointed 13 March 2002, resigned 10 July 2002)
D Dales	(appointed 5 July 2002, resigned 6 December 2002)
J Davenport	(appointed 5 July 2002, resigned 14 May 2003)
M Msomi	(appointed 5 July 2002, resigned 2 May 2003)
M Yako	(appointed 5 July 2002, resigned 2 May 2003)
G Dreyer	(appointed 5 July 2002)
S Erasmus	(appointed 5 July 2002)
C Knobbs	(appointed 5 July 2002)
S Oliver	(appointed 28 February 2003)
J Motlatsi	(appointed 14 May 2003)
S Twala	(appointed 30 May 2003)

### Directors' interests

Director	Indirect beneficial	Percentage of issued share capital
<i>Executive</i>		
C Knobbs	5 000 000	2.7%
S G H Oliver	2 000 000	1.1%
<i>Non-executive</i>		
G H Dreyer	9 333 333	5.1%
S C Erasmus	1 000 000	0.5%
T J Motlatsi	500 000	0.3%
S C Twala	1 000 000	0.5%

Other than G H Dreyer, who as a promoter, received the abovementioned shares for his role in the formation of Platfields, none of the directors has any interest in transactions entered into with the company.

### Directors' remuneration

Director	Directors' fees R	Salaries R	Total R
<i>Executive</i>			
C Knobbs	-	365 000	365 000
J Davenport	-	595 000	595 000
D Dales	-	490 000	490 000
<i>Non-executive</i>			
Mazwi Yako	60 000	-	60 000
	<u>60 000</u>	<u>1 450 000</u>	<u>1 510 000</u>

**PLATFIELDS LIMITED**

**DIRECTORS' REPORT**

*Eight months ended 28 February 2003*

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**Major shareholders**

<b>Name</b>	<b>Indirect beneficial shareholding</b>	<b>Percentage of issued share capital</b>
E Coetzee	9 333 333	5.1%
De W de Villiers	9 333 333	5.1%
G H Dreyer	9 333 333	5.1%
J de Munck	9 333 333	5.1%
D Parisi	9 333 333	5.1%

**Secretary**

J A Lupton was appointed as the company secretary on incorporation and resigned on 9 December 2002.

J Caddy was appointed as company secretary on 15 February 2003.

**Borrowing limitations**

The company has unlimited borrowing powers in terms of its articles of association.

**Dividends**

No dividend was declared during the year.

**PLATFIELDS LIMITED**

**BALANCE SHEET**

*At 28 February 2003*

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	Note	R
<b>Assets</b>		
		1 064 289
<i>Current assets</i>		
Accounts receivable		149 488
Bank		914 801
<b>Total assets</b>		<u>1 064 289</u>
<b>Equity and liabilities</b>		
<i>Capital and reserves</i>		165 216
Issued share capital and share premium	2	2 819 320
Accumulated loss		(2 654 104)
<i>Current liabilities</i>		
Accounts payable		899 073
<b>Total equity and liabilities</b>		<u>1 064 289</u>

**PLATFIELDS LIMITED**

**INCOME STATEMENT**

*Eight months ended 28 February 2003*

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	Notes	R
Exploration expenditure		774 041
Operating costs		1 880 627
<b>Operating loss</b>	3	<u>(2 654 668)</u>
Interest received		564
<b>Net loss attributable to ordinary shareholders</b>		<u><u>(2 654 104)</u></u>
Loss per ordinary share (cents)	5	(2,57)
Headline loss per ordinary share (cents)	5	(2,57)

**PLATFIELDS LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

*Eight months ended 28 February 2003*

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	Share capital R	Share premium R	Accumulated loss R	Total R
<i>Shares issued</i>				
- 13 March 2002	100	-	-	100
- 8 August 2002	1 413	-	-	1 413
- 15 October 2002	287	-	-	287
- 28 February 2003	38	2 817 482	-	2 817 520
Net loss attributable to ordinary shareholders	-	-	(2 654 104)	(2 654 104)
<b>Balances at end of year</b>	<u>1 838</u>	<u>2 817 482</u>	<u>(2 654 104)</u>	<u>165 216</u>

**PLATFIELDS LIMITED**

**CASH FLOW STATEMENT**

*Eight months ended 28 February 2003*

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	Note	R
<b>Cash flows from operating activities</b>		(1 904 519)
Cash utilised in operations	6	(1 905 083)
Interest received		564
<b>Cash flows from financing activities</b>		
Share capital issued		2 819 320
<b>Cash at end of year</b>		<u>914 801</u>

# PLATFIELDS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

*Eight months ended 28 February 2003*

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### **1. Accounting policies**

The financial statements are prepared in accordance with the historical cost convention and incorporate the following principal accounting policies, which conform to South African Statements of Generally Accepted Accounting Practice.

#### *1.1 Exploration and evaluation expenditure*

Exploration and evaluation expenditure constitutes costs incurred in obtaining and securing prospecting, mineral and surface rights for mining projects. This expenditure is charged to the income statement in the year in which it is incurred. When a decision is taken that a mining project is capable of commercial production all subsequent pre-production expenditure is capitalised. Once the production phase of the project commences, the asset is amortised over the estimated life of the project.

#### *1.2 Deferred taxation*

Deferred taxation is provided on the liability method using the comprehensive basis in respect of income tax payable in future periods in respect of taxable temporary differences.

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future tax benefits will be available against which the losses can be utilised.

#### *1.3 Bank balance*

The bank balance is stated in accordance with the cash book balance.

#### *1.4 Financial instruments*

Financial instruments are initially measured at cost, which includes transactions costs. Subsequently, these instruments are measured as set out below.

##### *Trade and other receivables*

Trade and other receivables are stated at cost less a provision for doubtful debts.

##### *Cash*

Cash is measured at fair value.

##### *Financial liabilities*

Financial liabilities are recognised at their cost, being original debt less principal payments.



**PLATFIELDS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

*Eight months ended 28 February 2003*

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**5. Loss and headline loss per share**

The calculation of loss per share and headline loss per share is based on a loss of R2 654 104 and a weighted average of 103 216 726 ordinary shares in issue.

**6. Cash utilised in operations**

Operating loss before interest	(2 654 668)
Changes in working capital	749 585
Increase in accounts receivable	(149 488)
Increase in accounts payable	899 073
	<u>(1 905 083)</u>

**7. Contingent liabilities and commitments**

The company has entered into various option agreements to acquire exploration projects. The company has the discretion to exercise these options. During the option period the company is obliged to pay the following prospecting fees to the current property owners :

2004	1 101 400
2005	550 700
2006	550 700
2007	1 652 600
	<u>3 855 400</u>

In addition, Platfields is obliged to spend at least R1 500 000 per year for the first two years of the agreement on exploration of the Platmile359 Properties.

**PLATFIELDS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

*Eight months ended 28 February 2003*

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**8. Financial instruments**

*Liquidity risk*

The company manages liquidity risk by monitoring forecasted cash flows and ensuring that adequate cash resources are maintained.

*Credit risk*

Credit risk relates to potential exposure on bank deposits and trade receivables.

The company limits its counterparty exposure arising from money market instruments by dealing only with well-established financial institutions of high credit standing. Accounts receivable consist mainly of amounts receivable from the Government relating to VAT claimed.

At the balance sheet date, the company did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

**9. Employee benefits and staff costs**

The company had no employees other than the two executive directors at year end.

**10. Comparative figures**

No comparative figures are stated as this is the first year of trading.

**PLATFIELDS LIMITED**

**FINANCIAL STATEMENTS : 28 FEBRUARY 2003**

**PLATFIELDS LIMITED**

**FINANCIAL STATEMENTS**

**28 FEBRUARY 2003**