



PLATFIELDS LIMITED
Registration Number 2002/005851/06

ANNUAL FINANCIAL STATEMENTS AND GROUP ANNUAL FINANCIAL STATEMENTS
for the financial year ended 29 February 2008



GROUP ANNUAL FINANCIAL STATEMENTS
for the financial year ended 29 February 2008

<u>Contents</u>	<u>Page</u>
Directors' Responsibilities and Approval	2
Certificate by the Company Secretary	3
Report of the Independent Auditors	4 - 5
Directors' Report	6 - 11
Balance Sheets	12
Income Statements	13
Statements of Changes in Equity	14
Cash flow Statements	15
Accounting Policies	16 - 22
Notes to the financial statements	23 - 28

DIRECTORS' RESPONSIBILITIES AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS AND GROUP ANNUAL FINANCIAL STATEMENTS AND GROUP ANNUAL FINANCIAL STATEMENTS

for the financial year ended 29 February 2008

The directors are required by the South African Companies Act, 1973, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and group annual financial statements and related financial information included in this report. It is our responsibility to ensure that the annual financial statements and group annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards (IFRS). The external auditors are engaged to express an independent opinion on the consolidated annual financial statements. Their opinion is presented on page 4.

The annual financial statements and group annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The directors are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's and company's cash flow forecasts for the year to 28 February 2010 and, in the light of this review and the current financial position, they are satisfied that the group has and has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements and group annual financial statements set out on pages 6 to 28, which have been prepared on the going concern basis, were approved by the board of directors on 6 February 2009 and were signed on its behalf by:



DB Mbindwane
Chief Executive Officer



S C Erasmus
Audit Committee Chairman

CERTIFICATE BY THE 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 for the financial year ended 29 February 2008 as are required of a public company in terms of the Act and that such returns are true, correct and up to date.



J M Caddy

Johannesburg

**Report of the independent auditors
To the members of
Platfields Limited**

We have audited the Group Annual Financial Statements of Platfields Limited, which comprise of consolidated and separate Balance Sheets as at 29 February 2008, and the consolidated and separate Income Statements, the consolidated and separate statements of changes in equity and consolidated and separate Cash Flow Statements for the year then ended, and notes which include a summary of significant accounting policies and other explanatory notes and the Directors' Report, as set out on pages 5 to 26.

Directors' responsibility for the Annual Financial Statements

The Company's Directors are responsible for the preparation and fair presentation of these Annual Financial Statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Annual Financial Statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these Annual financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Annual Financial Statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Annual Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Annual Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

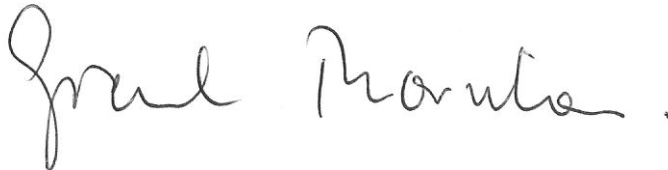
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these Annual Financial Statements present fairly, in all material respects, the consolidated and separate financial position of Platfields Limited as at 29 February 2008, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Emphasis of matter

Without qualifying our opinion, we draw your attention to note 10 in the annual financial statements which indicates that during the year ended 29 February 2008 an error was discovered in the group and company financial statements for the year ended 28 February 2007, the related corresponding figures for 28 February 2007 have been restated accordingly.

**GRANT THORNTON**

Chartered Accountants (SA)
Registered Auditors

per U Schäckermann

Chartered Accountant (SA)
Registered Auditor

24 February 2009

137 Daisy Street
Sandown
Johannesburg
2196



DIRECTORS' REPORT

for the financial year ended 29 February 2008

The directors have pleasure in submitting their report for the financial year ended 29 February 2008:

1. Nature of Business and Review of activities

Platfields is a mining and exploration company which explores and evaluates its prospecting rights and assets. The group focuses on the exploration of and for precious metals in Southern Africa with a view to their eventual mining.

During the year under review the company (and the group) acquired additional prospecting rights in the Makopane area as well as prospecting rights in the Pilgrim's Rest area.

2. Exploration expenditure

Exploration expenditure for the year amounted to R583,892 (2007: Rnil). Exploration during the current financial year was mainly carried out on the Berg Project.

Exploration expenditure envisaged for the future will be funded from internal resources and finance raised by the issue of share capital, if appropriate.

3. Prior year results

The company incorrectly applied IFRS 38 to the acquisition of the Platinum Mile Investments 359 (Pty) Ltd shares. The net effect of this results in an increase in the value of the prospecting right acquired amounting to R128,038,500 with a similar increase in equity. The error has been corrected in the current financial year as set out in note 10.

4. Interests in subsidiaries

Details of the company's subsidiaries are set out in note 4 of the notes to the financial statements.

5. Going concern

The financial statements have been prepared using the appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The directors have a reasonable expectation that the group has adequate resources to continue as a going concern in the foreseeable future, as the company has sufficient funds to meet its commitments and obligations as they fall due. In addition to the cash funds available, the company also raises cash by the further issue of shares. The loss reflected in the financial statements indicates funds spent on future value creation.

DIRECTORS' REPORT

for the financial year ended 29 February 2008

The planned prospecting activities of the group for the next financial year will be met from current cash resources. Additional acquisitions will be financed from cash resources and by raising additional capital.

6. Share Capital

The company issues shares in order to generate funds for exploration.

The movement in Share Capital is set out below:

	Number of shares in issue
Opening balance	306,563,941
Rights offer	2,085,004
In lieu of directors' fees	870,000
Issues for cash	8,013,267
Closing balance	317,532,212

The authorised share capital was increased subsequent to the year end to 1,000,000,000 shares of R0.00001 each. Resulting in authorised share capital of R10,000.

No share repurchases took place during the year under review.

7. Special resolutions

No special resolutions were passed during the financial year under review.

8. Dividends

No dividends were declared or paid during the year.

9. Share Incentive schemes

The group had a share incentive scheme which was ratified at a special general meeting held after the year end. This scheme will grant options to certain directors on the listing of the company.

DIRECTORS' REPORT

for the financial year ended 29 February 2008

10. Directors and Secretary

The following directors were appointed :

Annelise Cilliers	Appointed 1 August 2008
Roy Traviss	Appointed 7 August 2008
Sibongile Twala	Appointed 7 August 2008

The secretary of the company during the financial year was Jean Margaret Caddy

Business address :	281 Celliers Drive Glen Austin Midrand
Postal address :	Private Bag X60500 Houghton 2041

Subsequent to the year end Probity Business Services (Pty) Ltd was appointed as company secretary.

11. Directors interest

- In contracts

Other than the related party transactions referred to in note 19 of the financial statements, no contracts were entered into in which the directors of the company were materially interested, either during or at the end of the financial year.

No material change has taken place between the year end and the date of this report.

- In the share capital of the company

The interests of directors in the share capital of the company as at 29 February 2008 were as follows and did not individually exceed one percent of the issued share capital or voting control of the company.

DIRECTORS' REPORT

for the financial year ended 29 February 2008

2008	Direct	Direct	Indirect	Indirect
Ordinary shares	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Bongani Mbindwane	117,134	-	2,957,262	-
Joshua Hattingh	1,192,178	-		-
James Motlatsi	704,000	-		-
Neville Cornish	130,000	-	5,178,600	-
Sheldon Erasmus	1,246,100	-		-
Total	3,389,412	-	8,135,862	-

Sibongile Twala who was appointed after the year end owns one million shares in the company.

12. Borrowing powers

In terms of the articles of association, the directors have unlimited borrowing powers. The directors did not borrow any funds during the year under review

13. Auditors

Grant Thornton were appointed as auditors during the year

14. Post balance Sheet events

In terms of the final acquisition agreement with the vendors of Platinum Mile 359 (Pty) Ltd they are to receive 25 percent of the issued share capital of Platfields Ltd. A further 67 million ordinary shares were issued to them subsequent to the year end at R1.09 per share for a total consideration of R127.3 million

The company raised R65million in cash by means of share issues.

The company intends to list on the JSE Securities Exchange during 2009.

DIRECTORS' REPORT

for the financial year ended 29 February 2008

No other material events have occurred since the date of these financial statements and the date of approval thereof, the knowledge of which would affect the ability of the users of these financial statements to make proper evaluations and decisions.

15. Litigation

At the date of this report, there were no legal or arbitration proceedings, pending or threatened, of which the directors are aware.

16. Corporate governance

The directors endorse the Code of Corporate Practices and Conduct as set out in the second King Report on Corporate Governance.

17. Risks

Risks relating to the business of Platfields include:

17.1 Financial risk

- **Liquidity risk**
The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash Flow forecasts are prepared and adequate utilised borrowing facilities are monitored.
- **Interest rate risk**
Deposits and all cash balances attract interest at rates that vary with prime. The group policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profit/loss
- **Credit risk**
Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The group only deposits cash with major banks of high quality credit standing and limits exposure to any one counter-party.
- **Capital risk management**
The group ensures that it maintains a strong credit rating and good capital ratios in order to support its operations and to maximise shareholder value. The group manages its capital

DIRECTORS' REPORT

for the financial year ended 29 February 2008

structure and makes adjustments to it as required from time to time. Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

17.2 *Operational risk*

- Mining and prospecting risk

Currently, the company directly or indirectly controls its prospecting rights and actively carries out exploration activities in all material prospecting rights areas. In December 2000 the Department of Minerals and Energy published the Minerals Development Bill, which is based on the principle that mineral resources are part of South Africa's national patrimony and that the state is the custodian of the nation's mineral resources. There are various requirements in place for the holders of prospecting and mining rights and Platfields is working within the framework of these requirements in order to remain compliant with legislation and retain their granted rights. Any legislative changes or the failure of Platfields to meet its obligations to the DME may negatively impact on Platfield's holding of prospecting rights and hence its core business. No major impact on the company's holding of its prospecting rights is expected.

- Environmental risk

As an exploration company, Platfields is subject to extensive environmental regulations. The company has experienced and expects to continue to experience costs from compliance with South African environmental laws and regulations. The Minerals Act, certain other environmental legislation and the administrative policies of the South African government all regulate the impact of Platfield's prospecting operations on the environment. The company provides for environmental liabilities both by lodging guarantees or cash with the DME as partial fulfilment of their obligations as the holder of prospecting rights and by prudent budgeting for any unforeseen environmental incidents which may occur in relation to their ongoing prospecting activities. Although the current provision for compliance with South African environmental laws and regulations is reasonable, any future changes and development in environmental regulation may adversely affect its operations.

(Issued February 2009)



BALANCE SHEETS
as at 29 February 2008

Figures in Rand	Notes	Group		Company	
		2008	2007	2008	2007
ASSETS					
Non-current assets					
Property, plant and equipment	2	-	13,865	-	13,865
Prospecting rights	3, 10	128,485,897	128,038,500	128,126,454	128,038,500
Investments in subsidiaries	4			965,110	830
Investment in joint venture	5			-	1
		128,485,897	128,052,365	129,091,564	128,053,196
Current Assets					
Trade and other receivables	6	108,323	53,385	88,323	53,385
Cash and cash equivalents	7	5,637,510	620,946	5,637,510	620,945
		5,745,833	674,331	5,725,833	674,330
TOTAL ASSETS		134,231,730	128,726,696	134,817,397	128,727,526
EQUITY AND LIABILITIES					
Equity					
Share capital	8	3,175	3,061	3,175	3,061
Share premium	9	154,958,697	146,149,375	154,958,697	146,149,375
Accumulated loss	10	(21,163,014)	(17,927,352)	(20,428,624)	(17,913,390)
		133,798,858	128,225,084	134,533,248	128,239,046
Current Liabilities					
Trade and other payables	11	432,872	501,612	284,148	488,480
TOTAL EQUITY AND LIABILITIES		134,231,730	128,726,696	134,817,396	128,727,526



INCOME STATEMENTS

for the financial year ended 29 February 2008

Figures in Rand	Notes	Group		Company	
		2008	2007	2008	2007
Exploration expenditure	12	583,892	-	-	210,513
Administration expenditure	13	2,651,770	2,905,667	2,515,234	2,691,041
Finance costs			137	-	137
Loss for the year		3,235,662	2,905,804	2,515,234	2,901,691

The calculation of the loss and the headline loss per share is based on a loss of :	R 3,235,662	R 2,905,804	R 2,515,234	R 2,901,691
The weighted average number of ordinary shares in issue :	310,932,116	285,197,282	310,932,116	285,197,282
Loss per ordinary share (cents)	1.04	1.02	0.81	1.02
Headline loss per ordinary share (cents)	1.04	1.02	0.81	1.02
Diluted loss per ordinary share (cents)	1.04	1.02	0.81	1.02



STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 29 February 2008

Group							
Figures in Rand	Share capital	Share premium	Total share capital	Accumulated Loss	Total attributable to equity holders	Minority interest	Total Equity
Balance at 01 March 2006	2,196	15,034,162	15,036,358	(15,021,548)	14,810	222	15,032
<i>Changes in equity:</i>							
Issue of shares	35	3,127,543	3,127,578		3,127,578		3,127,578
Share issue expenses		(50,000)	(50,000)		(50,000)		(50,000)
Share-based payment : Issue of shares as consideration for Platinum Mile Investments 359 (Pty) Ltd	830	90,752,620	90,753,450		90,753,450		90,753,450
Disposal of subsidiary						(222)	(222)
Loss for the year				(93,659,254)	(93,659,254)		(93,659,254)
Total changes	865	93,830,163	93,831,028	(93,659,254)	171,774	(222)	171,552
Balance at 28 February 2007 as previously reported	3,061	108,864,325	108,867,386	(108,680,802)	186,584	-	186,584
Prior year adjustment (note 10)		37,285,050	37,285,050	90,753,450	128,038,500		128,038,500
Restated balance as at 28 February 2008	3,061	146,149,375	146,152,436	(17,927,352)	128,225,084	-	128,225,084
<i>Change in equity:</i>							
Issue of shares for cash	105	8,696,311	8,696,416		8,696,416		8,696,416
Share issue expenses		(21,986)	(21,986)		(21,986)		(21,986)
Share-based payments	9	134,997	135,006		135,006		135,006
Loss for the year				(3,235,662)	(3,235,662)		(3,235,662)
Total changes	114	8,809,322	8,809,436	(3,235,662)	5,573,774	-	5,573,774
Balance at 29 February 2008	3,175	154,958,697	154,961,872	(21,163,014)	133,798,858	-	133,798,858

Company					
Figures in Rand	Share capital	Share premium	Total share capital	Accumulated Loss	Total attributable to equity holders
Balance at 01 March 2006	2,196	15,034,162	15,036,358	(15,011,699)	24,659
<i>Changes in equity:</i>					
Issue of shares	35	3,127,543	3,127,578		3,127,578
Share issue expenses		(50,000)	(50,000)		(50,000)
Share based payment : Issue of shares as consideration for Platinum Mile Investments 359 (Pty) Ltd	830	90,752,620	90,753,450		90,753,450
Disposal of subsidiary					
Loss for the year				(93,655,141)	(93,655,141)
Total changes	865	93,830,163	93,831,028	(93,655,141)	175,887
Balance at 28 February 2007 as previously reported	3,061	108,864,325	108,867,386	(108,666,840)	200,546
Prior year adjustment (note 10)		37,285,050	37,285,050	90,753,450	128,038,500
Restated balance as at 28 February 2008	3,061	146,149,375	146,152,436	(17,913,390)	128,239,046
<i>Changes in equity:</i>					
Issue of shares	105	8,696,311	8,696,416		8,696,416
Share issue expenses		(21,986)	(21,986)		(21,986)
Share-based payments	9	134,997	135,006		135,006
Loss for the year				(2,515,234)	(2,515,234)
Total changes	114	8,809,322	8,809,436	(2,515,234)	6,294,202
Balance at 29 February 2008	3,175	154,958,697	154,961,872	(20,428,624)	134,533,248



CASH FLOW STATEMENTS
for the financial year ended 29 February 2008

Figures in Rand	Notes	Group		Company	
		2008	2007	2008	2007
Operating activities		(3,141,201)	(2,242,326)	(2,605,634)	(2,242,326)
Cash used in operations	15	(3,141,201)	(2,242,189)	(2,605,634)	(2,242,189)
Finance income			(137)		(137)
Investing activities		(516,664)		(1,052,232)	(4,395)
Purchase of property, plant and equipment	4		(4,395)	-	(4,395)
Purchase of prospecting rights		(516,664)		(87,953)	0
Purchase of companies				(964,280)	0
Financing activities					
Proceeds from share issue	8	8,674,430	2,580,016	8,674,430	2,580,016
Total cash movement		5,016,564	333,295	5,016,564	333,295
Cash at the beginning of the year		620,946	287,651	620,946	287,651
Total cash at end of the year	7	5,637,510	620,946	5,637,510	620,946

ACCOUNTING POLICIES

1. Presentation of Consolidated Annual Financial Statements

The Consolidated Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and the Companies Act of South Africa, 1973. The Consolidated Annual Financial Statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous year. The Group has adopted all of the new Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for all annual reporting periods beginning on 1 March 2006.

1.1 Exploration and evaluation assets

Exploration and evaluation costs of acquiring prospecting rights and the related costs incurred in obtaining and securing such prospecting, mining and surface rights for mining projects are capitalised until a final feasibility study has been completed which demonstrates that future economic benefits are possible. The capitalised costs are presented as intangible exploration and evaluation assets. When a decision is taken that a mining project is capable of commercial production and that it is probable that the future economic benefits will flow to the company and the asset has a cost or value that can be measured reliably, the exploration and evaluation asset is amortised over the estimated life of the mine once production commences. For the purposes of assessing impairment, the recoverable amount is assessed using fair value less cost to sell the specific exploration area in terms of note 1.6 below. If a project is abandoned, the capitalised costs are expensed in the income statement.

1.2 Property, plant and equipment

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Investments in subsidiaries

Group consolidated annual financial statements

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible, are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Subsidiaries are recognised at cost less impairment losses in the company's separate accounts.

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Company annual financial statements

In the company's separate Annual Financial Statements, investments in subsidiaries are carried at cost less any accumulated impairment.

ACCOUNTING POLICIES

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

1.4 Financial instruments

Initial recognition

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognized on the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Loans to group companies

These include loans to fellow subsidiaries and subsidiaries and are recognized initially at fair value plus direct transaction costs.

Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognized to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognized in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognized, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognized.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in profit and loss when there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5 Significant judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The preparation of the financial statements in conformity with IFRS requires the group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates may differ from actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Exploration Results, Mineral Resource and Mineral Reserve estimates

Exploration Results include data and information generated by exploration programmes that may be of use to investors. Information relating to exploration targets are not estimates of Mineral Resources or Mineral Reserves. The term Resource(s) or Reserves(s) is not used in this context. All statements referring to potential quantity and grade of the target are expressed as ranges and include a detailed explanation of the basis for the statement; such statements are referred to as Exploration Targets.

A 'Mineral Resource' is a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model. Mineral Resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated or Measured categories.

A 'Mineral Reserve' is the economically mineable material derived from a Measured and/or Indicated Mineral Resource. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project, or a Life of Mine Plan for an operation, must have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the Modifying Factors). Such modifying factors must be disclosed.

- Because the economic assumptions used to report on exploration targets and estimate resources and reserves change from period to period, and because additional geological data is generated

ACCOUNTING POLICIES

during the course of operations, exploration targets and estimates of resources and reserves may change from period to period. Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including the following: asset carrying values may be affected due to changes in estimated cash flows.

- depreciation, depletion and amortization charged in the Income Statement may change where such charges are determined by the units-of-production basis, or where the useful economic lives of assets change
- decommissioning, site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the balance sheet date could be impacted.

1.6 Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group also tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortization is recognized immediately in profit and loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

ACCOUNTING POLICIES

An entity assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortization other than goodwill is recognized immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.7 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the company reacquires its own equity instruments, those treasury shares are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognized directly in equity.

1.8 Share based payments

The company issues equity to settle certain transactions in shares and not in cash. These payments are measured at the fair value of the service provided. If the fair value of the service cannot be determined, the share-based payment is measured at the fair value of the equity instrument at the date of the allocation. Costs associated with share-based awards to employees and non-executive directors are charged to the income statement at the date the employee accepts the offer of shares.

1.9 Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is proposed relating to the granting of prospecting and/or mining rights. Such costs arising from prospecting activities and the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged against profits over the life of the operation, through the depreciation of the asset and the unwinding of the discount on the provision. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

1.10 Exploration and evaluation expenditure

Exploration and evaluation expenditure include the costs of geographical studies and costs associated with physical geological, exploration and prospecting work. This expenditure is charged to the income statement as incurred until a final feasibility study has been completed which demonstrates that future economic benefits are possible. When a decision is taken that a mining project is capable of commercial production and that is probable that the future economic benefits will flow to the company and the asset has a cost or value that can be measured reliably, all subsequent pre-production expenditure is capitalized.

ACCOUNTING POLICIES

1.11 Translation of foreign currencies

Foreign currency transactions

The Group results are presented in South African Rands, the currency in which most of its business is conducted.

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

1.12 Employee benefits

The cost of short term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognized in the period in which the service is rendered and are not discounted.

The expected cost of profit sharing and bonus payments is recognized as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Employee benefit trust

The carrying value of shares held by the employee benefit trust are recorded as treasury shares and shown as a reduction in retained earnings within shareholders' equity.

1.13 Tax

Deferred tax assets and liabilities

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. A deferred tax asset is not recognized when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit/ (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

1.14 Statements and interpretations not yet effective

At the date of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

Statement	Date Effective:
<ul style="list-style-type: none"> • IAS 1 (Revised) - Presentation of Financial Statements 	1 January 2009

This amendment affects the presentation of owner changes in equity and introduces a statement of comprehensive income. Preparers will have the option of presenting items of income and expense and components of other comprehensive income either in a single statement of

ACCOUNTING POLICIES

comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of other comprehensive income). This amendment does not affect the financial position or results of the Group but will give rise to additional disclosures. The directors are assessing the detailed impact of this amendment on the Group's financial statements.

- IAS 23 - Borrowing costs (revised 2007) 1 January 2009

The revised standard requires the capitalisation of borrowing costs, to the extent they are directly attributable to the acquisition, production or construction of qualifying assets that need a substantial period of time to get ready for their intended use or sale. The option currently used by the Group of immediately expensing those borrowing costs will be removed. In accordance with the transitional provisions of the revised standard the Group capitalises borrowing costs relating to qualifying assets for which the commencement date is on or after the effective date. No retrospective restatement will be made for borrowing costs that have been expensed for qualifying assets with a commencement date before the effective date. The revised standard will not have any impact on the Group's reported results as the Group has no borrowings.

- IAS 27 - Consolidated and separate financial statements (revised 2008) 1 July 2009

The revised standard introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Group's interest in subsidiaries. Management does not expect the standard to have a material effect on the Group's financial statements.

- IFRS 2 - Share based payment (as amended in 2008) 1 January 2009

The IASB has issued an amendment to IFRS 2 regarding vesting conditions and cancellations. None of the Group's current share-based payment schemes is affected by the amendments. The directors are assessing the detailed impact of this amendment on the Group's financial statements.

- IFRS 3 - Business combinations (revised 2008) 1 July 2009

The standard is applicable for business combinations occurring in reporting periods beginning on or after 1 July 2009 and will be applied prospectively. The new standard introduces changes to the accounting requirements for business combinations, but still requires use of the purchase method, and will have a significant effect on business combinations occurring in reporting periods beginning on or after 1 July 2009.

- IFRS 8 - Operating Segments 1 January 2009

This IFRS specifies how an entity should report information about its operating segments in its financial statements. Generally, financial information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Implementation of this Standard is expected to increase the number of reportable segments, as well as the manner in which the segments are reported, in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. As goodwill is allocated to groups of cash-generating units based on segment level, the change will also require the reallocation of goodwill to the newly identified operating segments. The directors do not anticipate that this will result in any effect on goodwill.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 29 February 2008

Figures in Rand	Group		Company	
	2008	2007	2008	2007
2. Property, plant and equipment				
Office equipment	-	13,865	-	13,865
Cost/Valuation	-	18,538	-	18,538
Accumulated depreciation	-	(4,673)	-	(4,673)
IT Equipment	-	-	-	-
Cost/Valuation	-	8,481	-	8,481
Accumulated depreciation	-	(8,481)	-	(8,481)
	-	13,865	-	13,865
Reconciliation :				
Office equipment	-	13,865	-	13,865
Opening balance	13,865	10,926	13,865	10,926
Additions / (Disposals)	(12,011)	4,395	(12,011)	4,395
Depreciation	(1,854)	(1,456)	(1,854)	(1,456)
IT Equipment	-	-	-	-
Opening balance	-	875	-	875
Depreciation	-	(875)	-	(875)
	-	13,865	-	13,865
3. Prospecting rights				
The Berg Project (at fair value)	128,038,500	128,038,500	128,038,500	128,038,500
The Leeuwkop 428KS Project (at cost)	352,841	-	-	-
Other (at cost)	94,556	-	87,954	-
	128,485,897	128,038,500	128,126,454	128,038,500

The Berg Project

The group has secured exclusive rights to conduct prospecting on 5 415 hectares of property, known as the Berg Project, in the eastern limb of the Platinum Group Metals ("PGM") rich Bushveld complex of Mpumalanga, South Africa.

This prospecting right may not be sold nor encumbered in any way without the prior written consent of Tonteldoos Minerals Realisation Company (Pty) Ltd ("Tonteldoos") until Platfields Ltd is listed or Tonteldoos has been paid in cash. Tonteldoos has been settled by means of shares in Platfields Ltd

The Leeuwkop 428KS Project

The company has rights to conduct prospecting on property, known as the Leeuwkop Project, of the Platinum Group Metals ("PGM") at the north-western end of the Eastern Limb of the Bushveld Complex in Limpopo, South Africa.

New order prospecting rights have been granted for portions of the farm Leeuwkop 425KS

The Leeuwkop Project has a potential resource of between 131,731 and 1,362,943 ounces of 4E PGE (Pt, Pd, Rh, Au)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 29 February 2008

Figures in Rand	Group		Company	
	2008	2007	2008	2007
4. Investment in subsidiaries				
<i>at fair value through profit & loss</i>				
<i>Shares</i>				
Lion's Head Platinum II (Pty) Ltd <i>(Investment holding company)</i>	100%	-	352,941	-
Maluti Platinum Resources (Pty) Ltd <i>(Investment holding company)</i>	65%	-	1	-
Marula Minerals (Pty) Ltd <i>(Gold exploration company)</i>	100%	-	100	-
Golden Jubilee Mining (Pty) Ltd				830
Platinum Mile Investments 359 (Pty) Ltd <i>(Platinum exploration company)</i>	100%	100%	1,000	-
			354,042	830
<i>Shareholder loans</i>				
Platinum Mile Investments 359 (Pty) Ltd			490,665	-
Lion's Head Platinum II (Pty) Ltd			70,000	-
Maluti Platinum Resources (Pty) Ltd			27,797	-
Marula Minerals (Pty) Ltd			22,607	-
Provision for impairments			611,068	-
			-	-
			611,068	-
Total investment in subsidiaries			965,110	830
5. Investment in joint venture				
Maluti Platinum Resources (Pty) Ltd	-	65%	-	1
6. Trade and other receivables				
Value Added Tax refunds	58,523	53,385	58,523	53,385
DME land rehabilitation deposits	30,000	-	10,000	-
Prepayments	19,800	-	19,800	-
	108,323	53,385	88,323	53,385
7. Cash and cash equivalents				
Bank balances	5,637,510	620,946	5,637,510	620,945
8. Share Capital				
Authorised				
600,000,000 ordinary shares of R0,00001 of a cent each.	6,000	6,000	6,000	6,000
Issued				
317,532,212 (net of cancellations) ordinary shares of one thousandth of a cent each.	3,175		3,175	
306,563,941 ordinary shares of R0,00001 of a cent each		3,061		3,061

The unissued shares are under the control of the directors until the next annual general meeting



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 29 February 2008

Figures in Rand	Group		Company	
	2008	2007	2008	2007
9. Share Premium				
Opening balance at 1 March	146,149,375	15,034,163	146,149,375	15,034,163
Premium on shares issued during the year	8,831,308	131,165,212	8,831,308	131,165,212
Share issue expenses	(21,986)	(50,000)	(21,986)	(50,000)
	154,958,697	146,149,375	154,958,697	146,149,375

The share premium account for 2007 has changed in accordance with the fundamental error (note 10)

10. Prior year adjustment

In the 2007 audited annual financial statements the company applied International Accounting Standard 38, expenditure on an intangible item on prospecting rights expense. This statement requires that the expenditure, when incurred must be expensed unless it complies to specific criteria. However this statement does not apply to expenditure on the development and extraction of, minerals, oils natural gas and similar non-regenerative resources.

International Financial Reporting Standard 6, Exploration for and Evaluation of Mineral Resource deems the acquisition of rights to explore to be included in the initial measurement of exploration and evaluation assets, at cost. The transaction falls into the ambit of IFRS 2 and therefore the prospecting right should be stated at fair value at the date of acquisition. The correction of this error, falls in the scope of International Accounting Standard 8. This standard requires that the error is corrected retrospectively in the year that the error has occurred. This error only affects the 2007 audited financial statements.

Effect of this error	Group		Company	
	2008	2007	2008	2007
Income Statements				
Operating Expenses	-	90,753,450	-	90,753,450
Decrease in loss for the year	-	90,753,450	-	90,753,450
Balance Sheets				
Increase in prospecting rights	-	128,038,500	-	128,038,500
Decrease in investment in subsidiary	-	-	-	(90,753,450)
Increase in total assets	-	128,038,500	-	37,285,050
Decrease in accumulated loss	-	90,753,450	-	90,753,450
Increase in share premium	-	37,285,050	-	37,285,050
Increase in total equity	-	128,038,500	-	128,038,500

The fair value of the prospecting right on 4 January 2007 (date of acquisition) was US\$ 18,5 mil and was converted using an exchange rate of R6.921.

11. Accounts Payable

Accounts payable consists of accrued expenses.

12. Exploration expenditure	583,892	-	-	210,513
------------------------------------	----------------	---	---	---------

Exploration expenditure was incurred in physical geological, exploration and prospecting work.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 29 February 2008

Figures in Rand	Group		Company	
	2008	2007	2008	2007

13. Operating expenditure

The operating loss for the year is stated after charging :

Administration fees	135,000	123,516	135,000	123,516
Auditors' Remuneration	126,970	58,283	118,470	55,000
Fees for the audit	67,700	58,283	59,200	55,000
Consulting and other services	59,270		59,270	
Depreciation on plant	1,854	2,331	1,854	2,331
Loss on scrapping of assets	12,011	-	12,011	-
Operating leases - premises	67,500	54,023	67,500	54,023
Remuneration paid to other that employees				
For company secretarial services	59,073	51,725	53,930	51,725
Share based payments	135,006	497,562	135,006	497,562

14. Directors' emoluments

Executive directors

For services as directors

1,127,408

1,485,446

D B Mbindwane

783,624

1,099,268

J P Hattingh

343,784

386,178

Non-executive directors

For services as directors

195,000

272,711

N H Cornish

105,000

97,534

S C Erasmus

45,000

97,534

J T Motlatsi

45,000

77,643

Total

1,322,408

1,784,175

15. Cash used in operations

Loss before taxation	(3,165,662)	(2,905,804)	(2,515,234)	(2,901,691)
Adjustments for :				
Depreciation and amortisation	1,854	2,331	1,854	2,331
Finance costs	-	137	-	137
Impairment loss/(reversal)	(832)		0	(830)
Loss on disposal of property, plant & equipment	12,011		12,011	
Share based payments	135,006	497,562	135,006	497,562
Changes in working capital				
Trade and other receivables	(54,938)	114,125	(34,938)	113,075
Trade and other payables	(68,740)	49,460	(204,332)	47,227
	(3,141,301)	(2,242,189)	(2,605,634)	(2,242,189)

16. Taxation

The company has incurred a loss for tax purposes therefore no provision has been made for taxation.

The company and the group has an estimated tax loss of

10,334,307

7,819,073

for set off against future taxable income



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 29 February 2008

Figures in Rand	Group		Company	
	2008	2007	2008	2007
17. Financial assets and liabilities				
Financial assets				
<i>Loans and receivables</i>				
Trade and other receivables	108,323	53,385	88,323	53,385
Cash and cash equivalents	5,637,510	620,946	5,637,510	620,945
	5,745,833	674,331	5,725,833	674,330
Financial liabilities				
Borrowings	-	-	-	-
Trade and other payables	432,872	501,612	284,148	488,480
	432,872	501,612	284,148	488,480

18. Contingencies and commitments

Platinum Mile Investments 359 (Pty) Ltd

Prospecting fees 4,800,000 4,800,000

The amount becomes due and payable on the listing of Platfields on the JSE

De Denne (Pty) Ltd

Prospecting fees

On obtaining the permit	44,200	44,200
Six bi-annual payments (the three years thereafter)	132,600	132,600
Two bi-annual payments (in the fourth year)	132,600	132,600

Platinum Mile Investments 359 transferred its mineral rights to Platfields without the prior consent of the minister. Should the minister not agree to the transfer the agreement will be of any force or effect and the status quo ante has to be restored.

In terms of the same agreement Platfields also warranted that it would arrange for the listing of Platfield shares before 30 June 2009. Should the listing not be achieved by that date Platfields is obliged to pay EUR 10 690 602 to the sellers in terms of the agreement.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 29 February 2008

Figures in Rand	Group		Company	
	2008	2007	2008	2007

19. Related party transactions

Transactions with related parties were made on an arm's-length basis

Crucial Trade 59 (Pty) Ltd

D B Mbindwane is also a director and shareholder of Crucial Trade (Pty) Ltd. Platfields Ltd pays rent and administration charges for the use of its offices and personnel. Amounts paid for the year under review :

	135,000	123,516
--	----------------	---------

Rock and Stock Investments (Pty) Ltd

J P Hattingh is also a director and shareholder of Rock and Stock Investments (Pty) Ltd. Platfields Ltd pays consulting fees for geological services. Amounts paid for the year under review :

	242,691	104,868
--	----------------	---------

Other related party transactions includes transactions with subsidiaries and with directors as disclosed elsewhere in these financial statements

Tonteldoos Mineral and Realisation Company (Pty) Ltd

Common director

Subsequent to the year end N H Cornish received a further 3,397,400 shares as a vendor in Platinum Mile Investments 359 (Pty) Ltd.

20. Comparative figures

Certain comparative figures has been restated.