

Unaudited Condensed Consolidated Interim Results

for the six months ended 31 August 2011

COMMENTARY

Introduction

Subsequent to the listing of Platfields in December 2010 on the JSE main board, the Company has largely focused itself on external growth opportunities and leveraging of its listed status through systematic assessment and evaluation of potential acquisitions of operational assets to improve its performance and enhance shareholder returns.

Listing and share price performance

Since listing, the share price has declined to levels well below the Company's intrinsic value. The current share price levels are not representative of the value in Platfields and management is hopeful that as the markets improve, so will the market valuation of the Company. This decline is in line with sector sentiment and the performance of most platinum stocks in the wake of the financial turmoil in the European Union, the volatility of metal prices and the Japanese earthquake and its effects on auto catalytic converter demand.

Whilst the Platfields share price decline is not unique for the sector, it is particularly challenging for the Platfields fund-raising strategy due to its dilutive potential.

Exploration and resources

Platfields has commissioned Minxcon (Proprietary) Limited to carry out desktop mine design and life of mine plan for its Leeuwkop Project located in Limpopo Province.

The preliminary key results:

- toll treatment agreements will be negotiated with near operators so that no concentrator will be commissioned on site;
- an underground design with a production rate of 100 000 tonnes per month is potentially viable;
- a twin decline system will be developed from surface with access cross-cuts developed on the levels to access the ore body; and
- the mining method will be conventional scattered breast stoping.

The profile for life of mine evidences the following:

- a total of 8,545 kt of Merensky reef tonnes are planned at an average grade of 4.06 g/t;
- a total of 13,442 kt of UG2 reef tonnes are planned at an average of 3.53 g/t;
- a total of 34,722 kg Merensky content and 47,398 kg of UG2 content is planned; and
- a grand total of 21,988 kt of reef tonnes are planned at an average grade of 3.73 g/t, resulting in 82,120 kg of content.

Focus for the period will be on firming up the mine plans and raising capital to further the understanding of the extent of the ore body over Leeuwkop.

Financial and operational review

Platfields as an exploration group, is not yet cash-generative, and therefore no cash revenue is reported for the current year and no revenue is expected for the next financial year.

The Group made a net loss for the period of R6 million compared to a loss of R78 million for the same period 2010. The major decrease in the reported loss is that there has been no further material impairments to Platmile portion of the Berg Project. Also, the Group's BEE share scheme has been finalised and implemented.

Funding and going concern

As the Group is not yet in a cash-generating position, its exploration programme is still funded by equity. The Group is currently raising capital in order to complete its exploration programme on the Leeuwkop Project. Directors draw your attention to the fact that the Company's future prospects and stability relies on its ability to raise capital for the ensuing year.

Subsequent events

As published on SENS dated 26 September 2011, Platfields and Anglo American Platinum Limited settled the pending litigation over "competing" prospecting right on the basis that the Department of Mineral Resources will execute a prospecting right in favour of Platfields over a portion of Farm Tigerpoort which excludes the competing area.

Mineral assets

The Platfields Mineral Resource Statement prepared by the Independent Competent Person is contained in the 2011 Annual Report. No material changes have occurred since the date of that report.

Mineral assets valuation

Over the past 12 months, the prices of Platinum Group Metals ("PGM") continued to rise, but started stabilising in the second quarter of 2011. The platinum price rose steadily month on month, rising above USD1,800/oz. in February 2011. Thereafter, the price returned to average USD1,770/oz. over the second quarter of 2011.

The price of palladium has risen sharply over the last twelve months reaching consecutive record highs, peaking in February 2011. The price of rhodium also peaked in February 2011, and has remained fairly steady in the first quarter of 2011.

Although the Rand remained stable for the first half of the year, it started to weaken towards the end of 2011.

The USD basket price increased between 13% to 18% year on year, depending on the PGM prill splits of the specific area of both Berg and Liger. Due to the stronger Rand/USD exchange rate, the Rand basket price remained subdued. These elements have influenced the updated valuation estimates.

Platfields' prospects are valued at highly conservative levels. Liger Project value is currently estimated at R88 million compared to R112 million the previous reported period. Berg Project value is currently estimated at R101 million compared to R116 million the previous reported period. The current understanding of the nature and extent of the Berg poses development uncertainty at current economic studies whilst Liger remains a viable prospect.

Prospects

Platfields is confident that it will raise sufficient capital to complete its exploration programmes. Platfields' primary focus in the immediate future will be on raising capital, and conducting additional exploration in relation to the Liger Project, and in particular the Leeuwkop portion of Liger, in respect of which it holds a valid new order prospecting right. Thereafter it intends to conduct mining studies over certain portions of Leeuwkop, with the goal of proceeding to potential mining applications in the short to medium term. A mining right application is currently being considered in the short term. As noted above, the Tigerpoort portion of the Liger Project is a longer-term extension, enhancing Leeuwkop as it forms a natural extension to the mineralised area.

Naturally as a listed company with tradable shares, Platfields is currently embarking on seeking strategic alliances and acquisitions of cash-generative junior prospects in the metals sector.

The Berg Project is a secondary consideration, with the future focus in respect of this project being on the Aquidus and Draakraal properties that border Northam Platinum Limited's Boosensdal mine. Platfields also applied for an additional prospecting right over portions 4, 5 and 39 of portion 27 of the Farm Kliprivier 73 JT, which, if granted, will enhance the Berg Project and its pipeline. Platfields is working to improve this project to enable a potential standalone future mining operation.

Signed on behalf of the board:

JT Mottlasi DB Mbindwane
Chairman Chief Executive Officer
Cape Town 28 November 2011

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Figures in Rand	31 August 2011 (Unaudited)	31 August 2010 (Unaudited)	28 February 2011 (Audited)
ASSETS			
Non-current assets			
Exploration assets	56,690,146	16,690,147	56,690,146
Current assets			
Other receivables	98,646	1,029,410	132,786
Cash and cash equivalents	12,562,392	27,623,713	19,574,675
	12,661,038	28,653,123	19,707,461
TOTAL ASSETS	69,351,184	45,343,270	76,397,607
EQUITY AND LIABILITIES			
Equity			
Share capital	7,896	6,542	7,896
Share premium	235,752,629	236,012,629	235,752,629
Share-based payments reserve	65,605,904	72,575,301	65,605,904
Accumulated comprehensive loss	(267,349,140)	(266,550,522)	(261,486,864)
	34,017,289	42,043,950	39,879,565
Non-current liability			
Long-term liability	33,423,113	-	31,983,840
Current liabilities			
Current portion of long-term liability	-	-	2,000,000
Trade and other payables	1,910,782	3,299,320	2,534,202
	1,910,782	3,299,320	4,534,202
TOTAL EQUITY AND LIABILITIES	69,351,184	45,343,270	76,397,607
Net asset value per share (cents)	4	9	5
Net tangible asset value per share (cents)	(3)	6	(2)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Total share capital	Share-based payments reserve	Accumulated loss	Total attributable to equity holders
Balance at 28 February 2010	236,017,175	48,423,898	(188,455,782)	95,985,291
Changes in equity:				
Issue of shares	1,496	-	-	1,496
Share-based payments	500	(500)	-	-
BEE share scheme (fair value)	-	24,151,903	-	24,151,903
Total comprehensive loss for the period	-	-	(78,094,740)	(78,094,740)
Total changes	1,996	24,151,403	(78,094,740)	(53,941,341)
Balance at 31 August 2010	236,019,171	72,575,301	(266,550,522)	42,043,950
Changes in equity:				
Issue of shares	1,354	-	-	1,354
Share issue expenses	(260,000)	-	-	(260,000)
BEE share scheme (fair value)	-	(7,291,327)	-	(7,291,327)
Share-based payments (fair value)	-	321,930	-	321,930
Total comprehensive loss for the period	-	-	5,063,658	5,063,658
Total changes	(258,646)	(6,969,397)	5,063,658	(2,164,385)
Balance at 28 February 2011	235,760,525	65,605,904	(261,486,864)	39,879,565
Changes in equity:				
Total comprehensive loss for the period	-	-	(5,862,276)	(5,862,276)
Balance at 31 August 2011	235,760,525	65,605,904	(267,349,140)	34,017,289

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Figures in Rand	Six months ended 31 August 2011 (Unaudited)	Six months ended 31 August 2010 (Unaudited)	Year ended 28 February 2011 (Audited)
Operating activities	(5,012,283)	(10,288,132)	(18,078,524)
Investing activities	-	-	(40,000,000)
Financing activities	(2,000,000)	1,496	39,742,850
Total movement	(7,012,283)	(10,286,636)	(18,335,674)
Cash at the beginning of the period	19,574,675	37,910,349	37,910,349
Total cash at the end of the period	12,562,392	27,623,713	19,574,675

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Figures in Rand	Six months ended 31 August 2011 (Unaudited)	Six months ended 31 August 2010 (Unaudited)	Year ended 28 February 2011 (Audited)
Exploration expenditure	(392,107)	(2,037,639)	(1,721,946)
Administration expenditure	(4,636,073)	(5,941,151)	(14,776,501)
Operating loss	(5,028,180)	(7,978,790)	(16,498,447)
Interest and investment income received	605,177	1,431,585	2,189,034
Loss from operations	(4,423,003)	(6,547,205)	(14,309,413)
Impairment	-	(47,395,632)	(47,395,633)
BEE share transaction (fair value)	-	(24,151,903)	(17,020,266)
Notional Interest	(1,439,273)	-	6,016,160
Share-based payments (fair value)	-	-	(321,930)
Loss for the period/Total comprehensive loss for the period	(5,862,276)	(78,094,740)	(73,031,082)
Loss per ordinary share (cents)	0.74	14.11	10.97
Headline loss per ordinary share (cents)	0.74	5.55	3.85
Diluted loss per ordinary share (cents)	0.74	13.84	10.96
Diluted headline loss per ordinary share (cents)	0.74	5.44	3.85

NOTES

1. Basis for preparation and accounting policies

This report has been prepared in compliance with International Accounting Standards (IAS 34: Interim Financial Reporting), the AC 500 Standards, the Companies Act, 2008 (71 of 2008) and the Listings Requirements of JSE Limited.

The accounting policies applied in preparing this report, which are based on reasonable judgements and estimates, are in accordance with International Financial Reporting Standards ("IFRS") and are consistent with those applied in the previous audited annual financial statements for the year ended 28 February 2011. The condensed consolidated financial statements have been prepared on the historical cost basis, unless otherwise stated.

These interim financial statements have been prepared by Annelise Cilliers, CA(SA). The interim results have not been reviewed by the Company's auditors.

Figures in Rand	31 August 2011 (Unaudited)	31 August 2010 (Unaudited)	28 February 2011 (Audited)
2. Exploration assets			
The Berg Project (at fair value)	12,830,255	60,225,888	12,830,255
The Leeuwkop Project (at cost)	42,359,891	2,359,891	42,359,891
The Marula Project (at cost)	1,500,000	1,500,000	1,500,000
	56,690,146	64,085,779	56,690,146
Impairments - The Berg Project	-	(47,395,632)	-
	56,690,146	16,690,147	56,690,146

Projects

2.1 The Berg Project

Prospecting rights for Platinum Group Metals ("PGM") in the Eastern Limb of the Bushveld Complex in Mpumalanga, South Africa.

The Berg Project comprises three contiguous farms, Kliprivier, Klipbankspruit and Hoek van Holland. Platfields holds its prospecting rights directly and under its subsidiary Platinum Mile Investments 359 (Proprietary) Limited ("Platmile") and through a prospecting contract with Aquidius CC.

The current value of the Berg Project as a whole is estimated at R101 million.

2.2 The Leeuwkop Project

The Leeuwkop Project consists of a single order prospecting right over the Farm Leeuwkop 425 KS which is situated in the Sekhukhune Magisterial District in Limpopo Province, South Africa. The prospecting right is for PGM at the north-western end of the Eastern Limb of the Bushveld Complex. The current value of the Leeuwkop Project is estimated at R88 million.

2.3 The Marula Project (formerly the Grootfonteinberg Project)

The Marula Project is a gold target in the Transvaal Drakensberg Goldfield.

The Marula Project consists of a new order prospecting right over four farms in the Magisterial District of Pilgrim's Rest in Mpumalanga Province, South Africa. The four properties are Lisbon 531 JT, Ceylon 197 JT, Little Joker 157 JT and Grootfonteinberg 561 KT. There is an overlapping right over the Grootfonteinberg 561 KT portion of the prospecting area. Platfields remains confident that the dispute will be resolved with the DMR and the third party concerned.

The current value of the Marula Project is estimated at R1.5 million.

2.4 Impairment

There have been no further impairments during the period under review.

3.

Loss per share	Six months ended 31 August 2011 (Unaudited)	Six months ended 31 August 2010 (Unaudited)	Year ended 28 February 2011 (Audited)
The reconciliation of headline loss and loss:			
The calculation of headline loss per share is based on a loss of:			
Attributable loss after tax	5,862,276	78,094,740	73,031,082
Impairment of exploration assets	-	(47,395,632)	(47,395,633)
Headline loss	5,862,276	30,699,108	25,635,449

The headline loss per share as reported in 2010 did not take into account the impairment of the exploration assets in terms of IFRS 6. As a result of this omission the headline loss per share for 2010 has been restated.

The calculation of loss per share is based on:

Weighted number of ordinary shares in issue	789,519,813	553,407,693	665,608,856
The diluted loss and diluted headline loss per share is based on:			
Weighted number of ordinary shares in issue	790,279,443	564,407,693	666,291,294

4. Dividends

No dividends were declared or paid to shareholders during the interim period.

Directors: The directors in office during the financial period under review were: James Thokoana Mottlasi, Derrick Bongani Mbindwane, Annelise Cilliers, Neville Hawthorn Cornish (retired 4 March 2011), Roy Stavelly Travis, Ulrich Schäckermann (resigned 29 March 2011), Seth Malefetsane Radebe (appointed 5 May 2011).

Registered Office: 7th Floor, Reserve Bank Building, 60 St Georges Mall, Cape Town, 8001 (PO Box 51949, Waterfront, 8002).

Transfer Secretaries: Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107)

Sponsor: Merchantec Capital was appointed as sponsor on 7 July 2011.

Company Secretary: Merchantec (Proprietary) Limited was appointed on 31 July 2011 as the Company Secretary. Probita Business Services (Proprietary) Limited resigned on the same date.