

PLATINUM GROUP METALS LTD  
Form 6-K  
March 18, 2004

**FORM 6-K**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**Report of Foreign Private Issuer**

Pursuant to Rule 13a-16 or 15d-16  
of the Securities Exchange Act of 1934

For: March 1, 2004

**Platinum Group Metals Ltd.**

(SEC File No. 0-30306)

**Suite 800 - 409 Granville Street, Vancouver BC, V6C 1T2, CANADA**

Address of Principal Executive Office

The registrant files annual reports under cover:

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes

No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: **March 1, 2004**

*R. Michael Jones*

**R. MICHAEL JONES**

**President, Director**

**FORM 51-901F**

**QUARTERLY REPORT**

Incorporated as part of:

  X   Schedule A

       Schedules B & C

**ISSUER DETAILS:**

<b>NAME OF ISSUER</b>	Platinum Group Metals Ltd.
<b>ISSUER ADDRESS</b>	Suite 800 - 409 Granville Street Vancouver BC, V6C 1T2
<b>ISSUER TELEPHONE NUMBER</b>	(604) 899-5450
<b>CONTACT PERSON</b>	R. Michael Jones
<b>CONTACT S POSITION</b>	President
<b>CONTACT TELEPHONE NUMBER</b>	(604) 899-5450
<b>CONTACT E-MAIL ADDRESS</b>	rmjones@platinumgroupmetals.net
<b>WEBSITE ADDRESS</b>	www.platinumgroupmetals.net
<b>FOR QUARTER ENDED</b>	November 30, 2003
<b>DATE OF REPORT</b>	January 30, 2004

**CERTIFICATE**

THE SCHEDULE(S) REQUIRED TO COMPLETE THIS QUARTERLY REPORT ARE ATTACHED AND THE DISCLOSURE CONTAINED THEREIN HAS BEEN APPROVED BY THE BOARD OF DIRECTORS. A COPY OF THIS QUARTERLY REPORT WILL BE PROVIDED TO ANY SHAREHOLDER WHO REQUESTS IT. PLEASE NOTE THIS FORM IS INCORPORATED AS PART OF BOTH THE REQUIRED FILING OF SCHEDULE A AND SCHEDULES B & C.

R. Michael Jones	<i>R. Michael Jones</i>	04/01/30
<b>NAME OF DIRECTOR</b>	<b>SIGN</b>	<b>DATE SIGNED</b>
Frank R. Hallam	<i>Frank R. Hallam</i>	04/01/30
<b>NAME OF DIRECTOR</b>	<b>SIGN</b>	<b>DATE SIGNED</b>

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**PLATINUM GROUP METALS LTD.**

(Development Stage Company)

INTERIM BALANCE SHEET

NOVEMBER 30, 2003

(UNAUDITED - PREPARED BY MANAGEMENT)

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**PLATINUM GROUP METALS LTD.**

FORM 51-901F SECURITIES ACT

QUARTERLY REPORT AS AT:

**November 30, 2003**

(Unaudited - Prepared by Management)

**INTERIM BALANCE SHEET**

	NOV. 30, 2003	AUG 31, 2003
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,304,219	\$ 994,650
Performance Bonds	3,000	0
Amounts receivable (Note 4)	59,504	76,411
Marketable Securities (market value - \$228,000)	58,000	58,000
Prepaid expenses	30,657	24,820
Total current assets	3,455,380	1,153,881
MINERAL PROPERTIES (Note 6)	4,599,841	3,891,653
FIXED ASSETS (Note 7)	63,681	40,887
Total assets	\$ 8,118,902	\$ 5,086,421
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 354,129	\$ 169,548

FUTURE INCOME TAXES	359,000	359,000
	713,129	528,548
<b>SHARE CAPITAL AND DEFICIT</b>		
SHARE CAPITAL (Note 8)		
Issued and outstanding at November 30, 2003		
-31,751,139 common shares (August 31, 2003		
-27,831,267 common shares)	12,253,819	9,005,078
CONTRIBUTED SURPLUS (Note 8 c)	42,051	42,051
DEFICIT	(4,890,097)	(4,489,256)
	7,405,773	4,557,873
Total liabilities and shareholders equity	\$ 8,118,902	\$ 5,086,421

CONTINUING OPERATIONS (Note 1)

COMMITMENTS (Note 11)

APPROVED BY DIRECTORS:

*R. Michael Jones*

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*Frank R. Hallam*

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**PLATINUM GROUP METALS LTD.**

FORM 51-901F SECURITIES ACT

QUARTERLY REPORT AS AT:

November 30, 2003

(Unaudited - Prepared by Management)

**INTERIM STATEMENT OF OPERATIONS AND DEFICIT**  
**FOR THE THREE MONTHS ENDED NOVEMBER 30, 2003**

	Three Months Ended	Three Months Ended
	Nov. 30, 2003	Nov. 30, 2002
	\$	\$
<b>EXPENSES</b>		
Amortization	3,535	1,922
Annual general meeting	9,800	-
Bank charges & interest	681	458
Corporate Finance fee	25,000	-
Filing and transfer agent fees	15,856	4,321
Foreign Exchange	(787)	(2,342)
Insurance	2,921	2,048
Management and consulting fees	70,876	55,225
News Releases, printing & mailout	7,521	1,549
Office and miscellaneous	16,074	7,077
Professional fees	14,405	26,002
Promotion	41,947	9,857
Rent	15,696	6,716
Salaries and benefits	76,509	13,763
Shareholder relations	2,062	53,423
Telephone	7,981	2,561
Travel	42,909	8,769
Part XII.3 interest	6,500	-
	(359,486)	(191,349)
<b>REVENUE</b>		
Interest Income	2,208	5,171

Services Revenue	37,749	-
Expense Recoveries	248	-
	40,205	5,171
<b>LOSS BEFORE OTHER ITEM</b>	(319,281)	(186,178)
<b>OTHER ITEM</b>		
Property investigations	203	24,680
Mineral property costs written off	26,290	75,508
Loss in W/O of Active Gold	55,067	-
Loss on sale of marketable securities	-	2,250
	(81,560)	102,438
<b>LOSS FOR THE PERIOD</b>	(400,841)	(288,616)
<b>DEFICIT</b> , beginning of period	(4,489,256)	(2,600,263)
<b>DEFICIT</b> , end of period	(4,890,097)	(2,888,879)

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**PLATINUM GROUP METALS LTD.**

FORM 51-901F SECURITIES ACT

QUARTERLY REPORT AS AT:

**November 30, 2003**

(Unaudited - Prepared by Management)

**INTERIM STATEMENT OF CASH FLOWS**

**FOR THE THREE MONTHS ENDED NOVEMBER 30, 2003**



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	Three Months Ended Nov.30, 2003	Three Months Ended Nov.30, 2002
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**CASH PROVIDED BY (USED FOR)**

**OPERATING ACTIVITIES**

Loss for the period	(400,841)	(288,616)
Add items not affecting cash:		
Amortization	3,535	1,922
(Gain) Loss on sale of marketable securities	-	2,250
Write Off Mineral Property	26,290	75,508
Net change in non-cash working capital	195,651	111,034
	(175,365)	(97,902)

**FINANCING ACTIVITIES**

Issuance of shares	3,245,141	237,261
Obligation to issue shares	-	-
	3,245,141	237,261

**INVESTING ACTIVITIES**

Acquisition of capital assets	(26,329)	(1,357)
Acquisition cost of mineral properties	(80,595)	(215,786)
Exploration & development expenditures	(650,283)	(322,970)
Performance Bonds	(3,000)	-
Investment in Active Gold Group Ltd.	-	(160,327)
Recoveries from mineral properties	-	-
Proceeds on sale of marketable securities	-	39,000
	(760,207)	(661,440)

**INCREASE (DECREASE) IN CASH & EQUIVALENTS**

	2,309,569	(522,081)
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<b>CASH &amp; EQUIVALENTS</b> , beginning of period	994,650	898,907
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<b>CASH &amp; EQUIVALENTS</b> , end of period	3,304,219	376,826
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**SUPPLEMENTARY INFORMATION ON NON-CASH INVESTING AND FINANCING ACTIVITIES:**

During the period ended November 30, 2003, the Company issued 10,909 common shares with a value of \$3,600 in

connection with the acquisition of mineral properties.

**SUPPLEMENTARY INFORMATION ON CASH FLOWS:**

During the period no interest or income tax expenses were paid.

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**1.**

**CONTINUING OPERATIONS**

The Company was incorporated on February 18, 2002 by an order by the Supreme Court of British Columbia approving an amalgamation by plan of arrangement between Platinum Group Metals Ltd. ( Old Platinum ) and New Millennium Metals Corporation ( New Millennium ). Old Platinum was incorporated on January 10, 2000 as 599141 B.C. Ltd. and changed its name to Platinum Group Metals Ltd. on March 16, 2000, at which time it commenced operations. New Millennium Metals Corporation was incorporated in British Columbia on March 11, 1983 under the name Harvey Creek Gold Placers Ltd. and later renamed New Millennium Metals Corporation. As a result of the amalgamation both New Millennium and Old Platinum ceased to exist as of February 18, 2002. However, as a result of the amalgamation, a new company also named Platinum Group Metals Ltd. was formed as of February 18, 2002 and it assumed all of the rights and obligations of the two predecessor corporations. As described in Note 3, Old Platinum was identified as the acquirer and the business combination was recorded as a purchase of New Millennium by Old Platinum.

The Company is an exploration company conducting work on mineral properties it has staked or acquired by way of option agreements principally in Ontario and the Republic of South Africa. The Company has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The Company defers all acquisition, exploration and development costs related to mineral properties. The recoverability of these amounts is dependant upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of the property, and any future profitable production, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due. External financing, predominately by the issuance of equity to the public, will be sought to finance the operations of the Company; however, there is no assurance that sufficient funds will be raised.

These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company not be able to continue as a going concern. If the going concern basis was not appropriate for these consolidated financial statements, then significant adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

## **Platinum Group Metals Ltd.**

### **MATERIAL CHANGE REPORT**

800 - 409 Granville Street, Vancouver BC, V6C 1T2

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## **2.**

### **SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ( Canadian GAAP ) and include the following significant policies outlined below. These policies conform, in all material respects, with accounting principles generally accepted in the United States of America ( US GAAP ), except as described in Note 14.

(a)

*Principles of consolidation*

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. During 2002, the Company formed a 100% South African subsidiary named Platinum Group Metals (RSA) (PTY) Ltd. for the purposes of holding mineral rights and conducting operations on behalf of the Company in the Republic of South Africa. All significant intercompany balances and transactions have been eliminated upon consolidation.

(b)

*Mineral properties and deferred exploration costs*

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonments. The estimated values of all properties are assessed by management on a continual basis and if the carrying values exceed estimated recoverable values, then these costs are written down to the estimated recoverable values. If put into production, the costs of acquisition and exploration will be written off over the life of the property, based on the estimated economic reserves. Proceeds received from the sale of any interest in a property will first be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the property and deferred exploration costs will be written off to operations.

In March 2000, the Accounting Standards Board of the Canadian Institute of Chartered Accountants ( CICA ) issued Accounting Guideline No. 11 entitled Enterprises in the Development Stage - ( AcG 11 ). The guideline addresses three distinct issues including (i) capitalization of costs/expenditures, (ii) impairment and (iii) disclosure. The Emerging Issues Committee issued Abstract 126, *Accounting by Mining Enterprises for Exploration Costs*, which provided further guidance on AcG 11. Abstract 126 concluded that a mining enterprise that has not commenced operations or objectively established mineral reserves is not precluded from considering exploration costs to have the characteristics of property, plant and equipment. The Company has reviewed and determined that implementation of this Abstract has no material effect on the results of operations or financial position of the Company.

(c)

*Cash and cash equivalents*

Cash and cash equivalents consist of cash and short-term money market instruments which are readily convertible to cash and have original maturities of 90 days or less.

**Platinum Group Metals Ltd.**

**MATERIAL CHANGE REPORT**

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**2.**

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*(d)*

*Marketable securities*

Marketable securities are recorded at the lower of cost or fair market value.

*(e)*

*Fixed assets*

Fixed assets are recorded at cost and are amortized on the declining balance basis at the following annual rates:

Computer equipment

30%

Computer software

30%

Office furniture and equipment

20%

(f)

*Stock-based compensation plan*

The Company has adopted the recommendations of the new CICA Handbook section 3870, *Stock-Based Compensation and Other Stock-Based Payments*, effective September 1, 2002. This section establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for good and services. The standard requires that all stock-based awards made to non-employees be measured and recognized using a fair value based method. The standard encourages the use of a fair value based method for all awards granted to employees, but only requires the use of a fair value based method for direct awards of stock, stock appreciation rights, and awards that call for settlement in cash or other assets. Awards that a company has the ability to settle in stock are recorded as equity, whereas awards that the entity is required to or has a practice of settling in cash are recorded as liabilities. For stock options granted to employees and directors, the Company has adopted the disclosure-only provisions whereby pro forma net income and pro forma earnings per share are disclosed in the notes to the financial statements as if the fair value based method of accounting had been used.

Compensation expense is recognized when stock options are issued to employees and directors for the excess, if any, of the quoted market price at the date of grant over the exercise price. Any consideration paid by employees and directors on the exercise of stock options is credited to share capital.

Compensation expense is determined when stock options are issued to non-employees and is recognized over the vesting period of the option. The compensation expense is determined as the fair value of the option at the date of grant using an option pricing model.

**Platinum Group Metals Ltd.**

**MATERIAL CHANGE REPORT**

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2.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(g)

*Income taxes*

Future income taxes relate to the expected future tax consequences of differences between the carrying amount of balance sheet items and their corresponding tax values. Future tax assets, if any, are recognized only to the extent that, in the opinion of management, it is more likely than not that the future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment or substantive enactment.

(h)

*Earnings (loss) per common share*

Basic earnings per share calculations are based on the weighted average number of common shares outstanding, excluding contingently returnable shares held in escrow.

The Company uses the treasury stock method for the calculation of diluted earnings per share. Diluted earnings per share is computed using the weighted average number of common and common equivalent shares outstanding during the year. Common equivalent shares consist of the incremental common shares upon the assumed exercise of stock options and warrants, but are excluded from the computation if their effect is anti-dilutive.

(i)

*Financial instruments*

The carrying values of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities reflected in the balance sheet approximate their respective fair values.

Price risk is the risk that the value of the Company's financial instruments will vary from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign exchange rates.

(j)

*Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those reported.

**Platinum Group Metals Ltd.**

**MATERIAL CHANGE REPORT**

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**3.**

**AMALGAMATION**

The Company was incorporated on February 18, 2002 by an order by the Supreme Court of British Columbia approving an amalgamation by plan of arrangement between Platinum Group Metals Ltd. and New Millennium



Metals Corporation. Under the terms of the arrangement, in exchange for 100% of the issued and outstanding shares of New Millennium, the shareholders of New Millennium each received one share of the new company for each 1.65 shares of New Millennium. The new Platinum Group Metals Ltd. issued and delivered 5,468,421 shares to the shareholders of New Millennium. Shareholders of the old Platinum Group Metals Ltd. each received one share of the new company in exchange for every one share of the old company. All of the continuing obligations of New Millennium with regard to share purchase options, warrants and share payments, with fair values of \$Nil, were converted according to a ratio of 1.65:1. This business combination has been accounted for as a purchase transaction with the predecessor company, Platinum Group Metals Ltd., identified as the acquirer and New Millennium identified as the acquiree. Consideration to the shareholders of New Millennium Metals Corporation consisted of 5,468,421 shares of the Company at a price of \$0.24 per share. Costs of the amalgamation totalled \$231,325. The total cost to the Company was therefore \$1,541,710. The results of operations and financial position of New Millennium were consolidated with the accounts of the Company with effect from February 18, 2002.

The fair value of assets acquired is as follows:

Current assets	\$81,206
Mineral properties	1,930,444
Capital assets	3,697
Accrued liabilities	(164,637)
Future income liability	(309,000)
	\$1,541,710

#### 4.

#### AMOUNTS RECEIVABLE

	NOV. 30,2003	AUG.31,2003
Advances receivable (a)	-	\$35,023
Goods and Services Tax recoverable	47,517	16,902
(VAT) South African Value Added Tax recoverable	5,687	-
Interest receivable	6,300	14,153
Other	-	10,333
	\$59,504	\$76,411

(a)

Advances receivable consist of funds advanced to officers, directors and consulting geologists for exploration and corporate activities conducted in the normal course of business, bear no interest and are due on demand.

**Platinum Group Metals Ltd.**

**MATERIAL CHANGE REPORT**

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**5.**

**INVESTMENT IN ACTIVE GOLD GROUP LTD.**

Active Gold Group Ltd. ( AGG Canada ) was incorporated under the Canada Business Corporations Act with one share issued to Platinum Group Metals Ltd. on June 11, 2002. In August 2002 AGG Canada acquired 100% of a private corporation in the Republic of South Africa and re-named it Active Gold Group RSA (Pty) Limited ( AGG RSA ). This subsidiary company serves AGG Canada as an operating and holding entity. In 2003 the Company, along with other co-founders and commercial investors, subscribed for further common shares of AGG Canada. In total the Company has acquired 1,461,905 shares of AGG Canada at a cost of \$160,327 and now owns 26.79% of AGG Canada.

AGG RSA has been working to acquire and successfully permit a 5,000 hectare exploration and development project named the Rooderand Gold Project. The project is located near the town of Potchefstroom in the central Witwatersrand Basin and is known to host gold bearing conglomerates of the Kimberly Reef Formation, based on the work of past operators.

AGG Canada is currently a private corporation and it shares common directors and officers with the Platinum Group Metals Ltd. Advances by the Company to AGG Canada are related to commercial activity in the normal course of business, are repayable upon demand and do not bear interest (Note 4).

Subsequently, AGG RSA has failed to achieve a permit for the Rooderand Gold Project and has decided to abandon the project through liquidation and termination of all existing rights and assets related to the project. As a result, the Company has written off its remaining investment in and advances to AGG Canada after its equity in loss of AGG Canada. A summary of the Company's investment in and advances to AGG Canada is as follows:

Advances, at August 31, 2002	\$5,911
Investment	160,327
Advances	45,487
	211,725
Equity in loss of AGG Canada	(187,000)
Write-down of investment in and advances to AGG Canada	(24,725)
Balance, at August 31, 2003	\$-

**Platinum Group Metals Ltd.**

**MATERIAL CHANGE REPORT**

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**PLATINUM GROUP METALS LTD.**

FORM 51-901F SECURITIES ACT

QUARTERLY REPORT AS AT:

**November 30, 2003**

(Unaudited - Prepared by Management)

**6.**

**MINERAL PROPERTIES**

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Details of mineral properties are as follows:

Property	August 31, 2002	Year to Date	Written Off	August 31, 2003	Year to Date	Written Off	November 30, 2003
<b>SUDBURY</b>							
Agnew Lake	\$ 384,568	\$ (33,571)	\$ -	\$ 350,997	\$ 9,608	\$ -	\$ 360,605
Pro Am	3,125	14,699	-	17,824	3,600	-	21,424
Other Sudbury	180,031	(14,735)	(55,415)	109,881	830	-	110,711
	567,724	(33,607)	(55,415)	478,702	14,038	-	492,740
<b>THUNDER BAY</b>							
Shelby Lake	308,635	247,696	-	556,331	134,499	-	690,830
Taman	129,361	30,211	-	159,572	989	-	160,561
Taman East	53,712	15,732	-	69,444	-	-	69,444
Senga	60,427	-	-	60,427	-	-	60,427
Dog River	147,341	65,293	-	212,634	(930)	-	211,704
LDI River	536,637	58,305	-	594,942	156,648	-	751,590
S Legris	474,720	84,332	-	559,052	1,448	-	560,500
Pebble	63,123	68,199	-	131,322	4,727	-	136,049
Stucco	368,159	26,519	(394,678)	-	-	-	-
PS Overlap	-	18,660	-	18,660	2,098	-	20,758
Thread	-	23,328	-	23,328	289	-	23,617
Farmer Lake	-	12,559	-	12,559	2,005	-	14,564
Lakemount	-	9,910	-	9,910	54,906	-	64,816
Other - Ontario	74,222	2,483	(60,737)	15,968	37,201	-	53,169
	2,216,337	663,227	(455,415)	2,424,149	393,880	-	2,818,029
<b>SOUTH AFRICA</b>							
Bushveld	-	26,290	-	26,290	5,333	(26,290)	5,333
Tweespalk	19,282	106,144	-	125,426	111,465	-	236,891
Sharp Arab	-	31,709	(31,709)	-	-	-	-
Ledig	25,578	247,597	(273,175)	-	-	-	-
Elandsfontein	-	571,398	-	571,398	167,901	-	739,299
Onderstepoort	-	122,160	-	122,160	6,591	-	128,751
Zandriver	-	3,769	-	3,769	-	-	3,769
War Springs	122,168	17,591	-	139,759	35,270	-	175,029

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	167,028	1,126,658	(304,884)	988,802	326,560	(26,290)	1,289,072
Total	\$ 2,951,089	\$ 1,756,278	\$ (815,714)	\$ 3,891,653	\$ 734,478	\$ (26,290)	\$ 4,599,841

**Platinum Group Metals Ltd.**

**MATERIAL CHANGE REPORT**

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**6.**

**MINERAL PROPERTIES (Continued)**

	NOV.30, 2003	AUG.31, 2003	AUG.31, 2002
Mineral property acquisitions	\$84,195	\$459,809	\$2,195,517
Assays	28,596	220,334	156,324
Drilling	322,399	365,780	232,441
Geological	268,696	460,875	300,010
Geophysical	510	80,440	129,964
Maps, fees and licenses	2,204	37,318	22,782
Reclamation	4,480	-	-
Site administration	15,712	35,279	52,533
Surveys	-	-	-
Travel	7,686	56,108	83,741
	734,478	1,715,943	3,173,312
Less recoveries (adjustments)	-	(40,335)	198,709
	734,478	1,756,278	2,974,603
Total, beginning of year	3,891,653	2,951,089	1,067,357
Less amounts written off	26,290	815,714	1,090,871

	3,865,363	2,135,375	(23,514)
Total, end of year	\$4,599,841	\$3,891,653	\$2,951,089

At August 31, 2003, mineral properties consist of the following:

	NOV.30, 2003	AUG.31, 2003	AUG.31, 2002
Acquisition costs	<b>\$1,639,471</b>	\$1,585,166	\$1,631,064
Option fees to earn mineral interests	<b>331,329</b>	327,729	263,044
Deferred exploration costs	<b>2,629,041</b>	1,978,758	1,056,981
	<b>\$4,599,841</b>	\$3,891,653	\$2,951,089

Pursuant to an agreement dated April 12, 2002, the Company optioned Wheaton River Minerals Ltd. the right to earn up to a 25% interest in the Shelby Lake and Lac des Iles River properties in exchange for funding up to \$400,000 in exploration expenses on the two properties. For the initial \$200,000 worth of the required expenditures Wheaton River could earn a 10% interest in the two properties. However, once the initial \$200,000 was spent, either Wheaton River or the Company could elect to convert all of Wheaton River's rights and interests to the properties into common stock of the Company at a price of \$0.35 per share for the work funded to date. During the period \$200,061 in work was completed by Wheaton River. Wheaton River then exercised its option and converted their rights and interests into 571,603 common shares of the Company, thus terminating the option agreement. As a result, the Company recorded net additions to mineral properties in 2003 of \$200,061.

## Platinum Group Metals Ltd.

### MATERIAL CHANGE REPORT

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**MINERAL PROPERTIES (Continued)**

(a)

*Sudbury*

(i)

*Agnew Lake*

Pursuant to an agreement dated March 1, 1999, New Millennium acquired an option to earn a 99% interest in 38 claims located near Sudbury, Ontario known as the Agnew Lake property in exchange for option payments of \$170,700 (of which \$90,700 has been paid) and 60,606 shares (all of which have been paid) over a five-year period. In addition, New Millennium, or its assignee, must complete a total work commitment of \$2,000,000 over an unspecified period of time. The vendors retain a 2% royalty interest. The Company staked an additional 182 contiguous claims that are also included under the terms of the above-noted agreement.

At August 31, 2003, the Company had directly performed \$512,265 worth of exploration work and caused further work of approximately \$2,500,000 to be performed through a joint venture arrangement with Pacific North West Capital Corporation ( PFN ) and Kaymin Resources Limited ( Kaymin ), a subsidiary of Anglo American Platinum Corporation Limited.

New Millennium optioned the Agnew Lake property to PFN on June 18, 2000. PFN may acquire 50% of the Company's rights and interests in Agnew Property by issuing 50,000 shares to the Company, (which have been received), making cash payments to the Company totaling \$200,000 over four years, (of which \$145,000 has been received) and completing \$500,000 in exploration over four years. In the event that PFN does not incur the required \$500,000 in exploration expenses on its own account, they may exercise their option by payment to the Company of any remaining unspent balance in PFN common shares.

In 2001, New Millennium and PFN agreed to amend the Agnew Lake Option Agreement so that PFN will make annual payments of 75,000 PFN shares towards the exercise of their option. It was agreed that these shares not be valued at less than \$0.60 per share for the purpose of exercising PFN's option. To date, the Company has received three payments of 75,000 PFN shares towards the exercise of PFN's option. PFN has not reported any exploration expenditures spent on the project to its own account.

PFN is the project operator and will be responsible for completion of all assessment and filing requirements as long as it remains operator.

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**6.**

**MINERAL PROPERTIES (Continued)**

(a)

*Sudbury (continued)*

(i)

*Agnew Lake (continued)*

On June 22, 2001, New Millennium and PFN optioned their interests in the property to Kaymin Resources Limited ( Kaymin ). Kaymin may acquire a 50% interest in the combined rights and interests of New Millennium and PFN by making cash payments of \$200,000 to each party (which have been received) and incurring exploration expenditures of not less than \$6,000,000 by December 31, 2004. Kaymin's work expenditures will satisfy the balance of the Company's total work commitment to the original vendors. Kaymin can earn an additional 10% interest by completing a bankable feasibility study and arranging financing for any development or construction.

On November 1, 2001, New Millennium and PFN entered into an option agreement with ProAm Explorations Corporation to acquire a 100% interest in three additional claims adjacent to the Agnew Lake property by making cash payments of \$30,000, (\$11,500 paid), issuing 29,090 shares of the Company, (all of which have been issued) and the issue of 21,000 shares of PFN over two years and completing \$400,000 in exploration expenditures over a four-year period.



Under the terms of the agreement, these claims become part of the Agnew Lake property and are subject to the PFN and Kaymin option agreements existing on that property. The claims are subject to a 2.5% NSR royalty.

(ii)

*West Sudbury Basin*

Pursuant to an option agreement executed in 2002, as amended, the Company granted an option to Goldrush Resources Ltd. (formerly Arcata Resources Corp.) whereby they could acquire a 60% interest in the Company's Levack, Windy Lake and Cascaden-Ministic properties located in the West Sudbury basin of Ontario. During the term of the option, Goldrush Resources Ltd. made payments to the Company of \$3,000 and 200,000 shares, and a further payment of \$2,000 to the underlying vendors. The Company has remaining obligations to make option payments of \$90,000 over four years in order to complete its acquisition of this property. Goldrush elected not to proceed with the acquisition.

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**6.**

**MINERAL PROPERTIES (Continued)**

(b)

*Thunder Bay*

(i)

*Pebble*

Pursuant to an agreement dated March 30, 2000, the Company acquired an option to earn a 51% interest in 96 mineral claims located near Thunder Bay, Ontario known as the Pebble property in exchange for cash payments of \$34,000 (of which \$24,000 has been paid) and the expenditure of \$500,000 in exploration within 5 years from the date of the agreement. The Company was originally obligated to pay \$5,000 (paid) and incur \$100,000 (\$108,449 incurred) in exploration expenditures prior to March 30, 2001 in order to keep the option in good standing. The Company can earn an additional 9% interest in the property by completing a feasibility study within 36 months of earning the 51% interest described above.

(ii)

*South Legris*

Pursuant to an April 2000 agreement, the Company acquired an option to earn a 50% interest in 261 mineral claims located near Thunder Bay, Ontario known as the South Legris property in exchange for cash payments of \$98,300 (of which, \$68,300 has been paid) and the expenditure of \$1,000,000 (\$490,462 incurred) in exploration expenditures within 5 years of the date of the agreement. The Company also has an option to acquire an additional 10% interest by completing a feasibility study within 36 months of earning the 50% interest described above.

(iii)

*Stucco*

During the year ended August 31, 2003, the Company terminated its option agreement to acquire a 51% undivided interest in 298 units known as the Stucco property located in the Thunder Bay Mining District, Ontario and recognized a write-down of cumulative costs incurred to date of \$394,678.

(iv)

*Shelby Lake*

On June 28, 2000, the Company entered an option agreement to earn up to 60% interest in the Shelby Lake property in the Lac des Iles area in Ontario. To earn a 50% interest the Company is required to make cash payments to the optionor of \$10,000 by September 28, 2000 (which have been paid), issue 30,303 shares to the optionor (which have

been issued) and complete \$500,000 in exploration expenditures over a four-year period, \$557,384 of which has been incurred to November 30, 2003 (August 31, 2003 - \$422,884)

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**6.**

**MINERAL PROPERTIES (Continued)**

(b)

*Thunder Bay (continued)*

(iv)

*Shelby Lake (continued)*

The Company may earn a further 10% interest, for a total of 60%, by expending a further \$500,000 over an additional 30-month period. The property is subject to a 2% NSR royalty, of which the Company can purchase back one half for \$500,000.

(v)

*Taman Lake Project*

Pursuant to option agreements dated February 7, 2000 and amended on June 24, 2002 and March 25, 2003 the Company has acquired an option to earn an undivided 100% interest in the Taman and Taman East properties. To exercise its option the Company must make payments of \$97,500 over five years (\$73,500 of which has been paid to November 30, 2003) and issue 89,183 shares over five years (71,183 of which have been issued to November 30, 2003). The project is subject to a 3% NSR royalty, of which the Company may buy one half for \$1,000,000.

(vi)

*Senga and Tib*

The Company acquired these claims by staking on March 20, 2000. They are located in the Lac des Iles region of Ontario and consist of 6,384 hectares. This property is contiguous with the Company's Taman and Dog River holdings in the same area. The Tib property has been dropped as of August 31, 2003, resulting in a write-off of cumulative costs to date of \$29,726.

(vii)

*Dog River*

The Company has a 100% interest in the Dog River property located in the Lac Des Iles area.

The property remains subject to a 2.5% NSR royalty in favour of the vendor. The Company has the right to purchase on half of this NSR royalty for \$1,500,000.

(viii)

*Lac des Iles River*

On May 5, 2000, New Millennium entered into an option agreement to acquire a 50% interest in the property by making payments to the optionors of \$38,500 over three years, all of which has been paid to August 31, 2003, and completing exploration expenditures of \$1,000,000 over five years, \$544,066 of which has been incurred to November 30, 2003. The Company can earn an additional 10% interest on completion of a feasibility study within a further three years. Further work programs are scheduled on the property for late 2003.

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**6.**

**MINERAL PROPERTIES (Continued)**

(c)

*Republic of South Africa*

(i)

*War Springs and Tweespalk*

On June 3, 2002, the Company entered an option agreement with a vendor group of mineral rights holders whereby it may earn a 100% interest in two properties located in the Northern Limb or Platreef area of the Bushveld Complex near Johannesburg, Republic of South Africa. The properties are comprised of the 2,396 hectare War Springs property and the 2,177 hectare Tweespalk property. The two properties are both located on the postulated extension of the Platreef near the PPRust Platinum mine operated by Anglo American Platinum Corporation Limited. Costs of investigation and acquisition amounting to \$265,185 had been incurred and deferred to August 31, 2003.

The agreement allows the Company to purchase 100% of these mineral rights at any time within three years from the date of grant for a prospecting permit on each property for US\$475 per hectare in year one, or US\$570 per hectare in year two, or US\$690 per hectare in year three. In addition, subsequent to the grant of a prospecting permit, the Company has agreed to pay prospecting fees to the mineral rights holders of US\$2.50 per hectare in year one, US\$2.75 per hectare in year two and US\$3.25 per hectare in year three. The mineral rights holders retain a 1% NSR Royalty on the property, subject to the Company's right to purchase the NSR at any time for US\$1.4 million. A 5% finder's fee on payments made to the mineral rights holders is payable a South African consulting group retained by the Company in 2002.

In November 2002, the Company entered into a joint venture agreement with Africa Wide Mining ( AW ), a Black Economic Empowerment group in South Africa, whereby they may acquire 30% of both the War Springs and Tweespalk properties in exchange for contributing 30% of all costs. By doing so, the Company immediately exceeded the ten-year objective of the Government of South Africa for at least 26% participation in mining activities in South Africa by historically disadvantaged South Africans.

Shortly after acquiring its option to acquire the War Springs and Tweespalk properties, the Company found that another Black Economic Empowerment company, Taung Minerals (Pty) Ltd. ( Taung ), had obtained a prospecting permit over portions of the War Springs property. Taung purported to own a one third interest to portions of the mineral rights on the property. The Company contested Taung s position through a formal appeal process in the Republic of South Africa.

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**6.**

**MINERAL PROPERTIES (Continued)**

(c)

*Republic of South Africa (continued)*

(i)

*War Springs and Tweespalk (continued)*

In September 2003, the Company, Taung and AW agreed to a negotiated settlement of the title dispute on the War Springs property by reducing AW's participation in the project from a 30% participating interest to a 15% interest carried to bankable feasibility, and then granting Taung a 15% interest carried to bankable feasibility. The Company's 70% interest remained unchanged.

The Company has not recorded a receivable for AW's 30% participating interest in the Tweespalk property, which at August 31, 2003 is calculated to be \$37,628, as AW is not currently able to tender such amounts due. The Company expects that AW will achieve its own financing in the near future, and when it does so, the Company will record a receivable from AW and submit a cash call to AW for settlement. The amount recovered from AW will be treated in a reduction of the Company's costs relating to the Tweespalk property when received.

On September 23, 2003, the Company agreed to a negotiated settlement of the title dispute on the War Springs property by reducing joint venture partner AW's participation in the project from a 30% participating interest to a 15% interest carried to bankable feasibility, and then granting claimant Taung a 15% interest carried to bankable feasibility. The Company's 70% interest remained unchanged.

(ii)

*Ledig*

The Company entered into an option agreement with Ledig Minerale Regte 909 JQ (pty) Ltd. ( Ledig Minerale ) whereby the Company could earn a 55% interest in Ledig Minerale's holdings on the Ledig Farm property located in the Western Bushveld area near Sun City, South Africa, approximately 100km northwest of Johannesburg. At February 28, 2002 the Company had incurred \$273,176 in costs relating to the property. Further payments by the Company were contingent upon completion of certain title confirmation procedures by Ledig Minerale and the granting of a valid prospecting license by the Government of the Republic of South Africa by February 28, 2003. These conditions were not met and the Company refused to waive them. The agreement was therefore terminated and all costs relating to the project were written off by the Company.

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6.

MINERAL PROPERTIES (Continued)

(c)

*Republic of South Africa (continued)*

(iii)

*Elandsfontein*

In December 2002, the Company entered into an option agreement to purchase 100% of the 296 hectare Elandsfontein property located adjacent to the Bafokeng Rasimone Platinum Mine in the Western Bushveld area of South Africa. The Company made an initial payment to the Vendors of ZAR 150,000 (approximately C\$29,500 at the time of payment). The Company must also pay a base price of ZAR 43 (approximately C\$8.50) per tonne of open castable economic Upper Group 2 ( UG2 ) reef resource on the property, to a minimum of ZAR 4,000,000 (approximately C\$791,000). A further payment of ZAR 4.30 (approximately C\$0.85) per tonne is due on any economic underground resource. The purchase price is payable 90 days after the grant of a mining authorization. The Company was obligated to a minimum exploration program, which was completed before the end of the period. The Company also acquired a right to purchase the surface rights to the property at a price of R 6,500 (approximately C\$1,285) per hectare.

The Company exercised its option to purchase the Elandsfontein property by way of written notice on June 26, 2003. The initial 10% of the purchase price for the mineral rights was later tendered under the terms of the option agreement. The Vendors now claim that the purchase price is unascertained or unascertainable and that the agreement is therefore void. The parties have agreed to refer the matter for Expert Determination as provided for in the option agreement. PTM RSA intends to enforce its rights under the terms of the option agreement and is supported by the Company in this regard. PTM RSA and the Company have sought legal advice and are confident of their prospects of successfully defending their position. The alternative dispute resolution process provided for in the contract is expected to commence at the beginning of 2004 and should be completed by the end of the first quarter. Time limits for the dispute resolution have not been set.

According to the terms of the Elandsfontein option agreement, the Company tendered a required payment for 10% of the base purchase price of the property in the amount of R 1.5 million prior to October 1, 2003, subject to the base purchase price being adjusted according to the terms of the agreement for actual UG2 open cast resource on the



property. The Vendors refused to accept the payment, claiming that an adjustment was not allowable. The Company is of the view that the actual UG2 open cast resource on the property falls below that amount which would result in the minimum purchase price for the mineral rights being set at the R 4.0 million minimum and has, therefore, referred the matter for settlement under the binding arbitration provisions of the agreement.

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6.

MINERAL PROPERTIES (Continued)

(e)

*Write-down of mineral properties*

During the first quarter of 2004 the carrying values of certain of the Company's mineral properties were determined to be impaired, resulting in a write-down of mineral properties costs of \$26,290 (August 31, 2003 - \$815,714; August 31, 2002 - \$1,090,871).

(f)

*Acquisition of New Millennium Metals Corporation*

On February 18, 2002 the Company completed an amalgamation with New Millennium Metals Corporation. The Company acquired nineteen properties through the amalgamation. These properties have been recorded on the books of the Company at a fair value of \$1,930,444 as described in Note 3.

7.

**CAPITAL ASSETS**

			Nov.30,2003	Aug.31,2003
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment and software	\$77,246	\$30,420	\$46,826	\$28,754
Office furniture and equipment	23,672	6,817	16,855	12,133
	\$100,918	\$37,237	\$63,681	\$40,887

8.

**SHARE CAPITAL**

(a)

*Authorized*

1,000,000,000 common shares without par value

(b)

*Issued and outstanding*

During the period ended November 30, 2003:

(i)

the Company issued 10,909 common shares in connection with the acquisition of mineral properties at a fair value of \$3,600.

(i)

during the first quarter, 1,446,963 share purchase warrants were exercised for proceeds of \$1,173,941 and 47,000 stock options were exercised for proceeds of \$18,450.

(iii)

the Company completed a private placement for total proceeds of \$2,040,000 through the issuance of 2,400,000 units at a price of \$0.85 per unit. Each unit consisted of one common share and one-half of one common share purchase

warrant. Each whole warrant is exercisable into one common share of the Company at a price of \$1.10 until October 31, 2004. No finders fee or commission was paid with respect to this private placement.

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**8.**

**SHARE CAPITAL (Continued)**

(b)

*Issued and outstanding (continued)*

During the year ended August 31, 2003:

(i)

the Company issued 47,696 common shares in connection with the acquisition of mineral properties at a fair value of \$16,140.

(ii)

the Company issued 571,603 common shares in exchange for \$200,061 worth of exploration work on the Shelby Lake and Lac des Iles River properties pursuant to an Option Agreement with Wheaton River Minerals Ltd. dated April 12, 2002 and described in Note 6.

(iii)

the Company completed a private placement for total proceeds of \$500,000 through the issuance of 1,000,000 units at a price of \$0.50 per unit. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of \$0.75 until December 17, 2004. No finders fee or commission was paid with respect to this private placement.

(iv)

the Company completed private placements for further proceeds of \$1,799,125. Proceeds of \$767,875 were from the sale of 1,181,346 Flow-Through Units at \$0.65 per unit. Each Flow-Through Unit consisted of one flow-through common share and one non-flow-through common share purchase warrant exercisable at a price of \$0.85 for a period of 12 months from the date of closing. The Company renounced \$767,875 in Canadian exploration expenses to the purchasers of the flow-through shares and was required to incur the required expenditures on mineral properties in Canada by December 31, 2003. At August 31, 2003, approximately \$595,000 of this obligation remained outstanding. Proceeds of \$1,031,250 were received from the sale of 2,062,500 Non-Flow-Through Units at a price of \$0.50 per unit. Each unit consisted of one common share and one-half of one common share purchase warrant. In addition, 304,385 share purchase warrants were issued to brokers in connection with these private placements, where one share purchase warrant is exercisable into one common share at a price of \$0.75 until December 23, 2004. Costs of issuing these shares totalled \$209,193.

(v)

during fiscal 2003, 645,990 share purchase warrants were exercised for proceeds of \$233,389 and 96,500 stock options were exercised for proceeds of \$35,025.

(vi)

share issue expenses amounted to \$209,194 relating to the various issuances throughout the year.

(vii)

during the year ended August 31, 2003, 714,272 shares of the Company were released from escrow, relating to the balance of 1,190,453 shares previously held in escrow and not released, pursuant to an arrangement where these shares would

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**MATERIAL CHANGE REPORT**

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be released by no later than three years, based on a predetermined schedule for release.

The Company also has 199,308 shares held in escrow at August 31, 2003 which are to be released subject to the terms of release as required by the TSX Venture Exchange, which are related to the performance of exploration and development work on the Company's mineral properties. These rules provide for pro rata release of escrow shares on the basis of 15% of the original number of performance escrow shares for every \$100,000 expended on exploration and development, subject to certain limitations.

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**8.**

**SHARE CAPITAL (Continued)**

(b)

*Issued and outstanding (continued)*

During the year ended August 31, 2002:

(i)

the Company issued 102,728 common shares in connection with the acquisition of mineral properties at a fair value of \$36,509.

(ii)

the Company issued 1,327,500 common shares pursuant to a flow-through private placement at \$0.25 per share, less issue costs of \$12,000 for net proceeds of \$319,875. These placements were completed at market value and there was no premium obtained by way of their flow-through nature. The Company renounced \$331,875 in Canadian exploration expenses to the purchasers of the flow-through shares and was required to incur the required expenditures on mineral properties in Canada by December 31, 2002. At August 31, 2002, approximately \$236,000 of this obligation remained outstanding. This requirement was met by December 31, 2002.

(iii)

on January 30, 2002 the Company issued 250,000 common shares pursuant to a non-brokered private placement at \$0.25 per share for total proceeds of \$62,500.

(iv)

on February 18, 2002 the Company completed an amalgamation by plan of arrangement with New Millennium Metals Corporation. The Company acquired all of the 9,022,895 issued and outstanding shares of New Millennium in exchange for 5,468,421 shares of the Company (Note 3).

(v)

the Company issued 1,403,572 common shares pursuant to a private placement at \$0.28 per share for total proceeds of \$393,000. There were 701,786 common share purchase warrants issued with the common shares which were exercisable at \$0.36 per share until May 30, 2003.

(vi)

on June 6, 2002 the Company closed a private placement of 3.2 million common shares at \$0.25 per common share. In connection with the placement the Company issued brokers warrants to purchase 319,000 shares at \$0.25 per share until June 6, 2003. Issue costs related to this placement totalled \$70,038 and are recorded as a reduction of the gross proceeds.

During the year ended August 31, 2001:

(i)

the Company issued 3,195,391 common shares at \$0.50 per share pursuant to initial public offering for net proceeds of \$1,356,532 (after deducting expenses of the issue of \$241,164). The agents received 319,539 share purchase warrants exercisable at \$0.50 per share up to March 22, 2003.

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**8.**

**SHARE CAPITAL (Continued)**

(b)

*Issued and outstanding (continued)*

(ii)

the Company issued 2,383,090 flow-through shares at \$0.55 per share for net proceeds of \$1,107,771 (after deducting expenses of the issue of \$202,929). The Company renounced \$1,310,700 in Canadian exploration expenses to the purchasers of the flow-through shares and was required to incur the required expenditures on mineral properties in Canada by December 31, 2002. This requirement was met in 2002. The agents received 238,309 share purchase warrants exercisable at \$0.55 per share up to December 22, 2002.

(iii)

210,000 common shares were issued in connection with the acquisition of mineral properties at a fair value of \$57,050, at the date of issuance.

(c)

*Incentive stock option agreement*

The Company has entered into Incentive Stock Option Agreements ( Agreements ) with directors, officers and employees. Under the terms of the Agreements, the exercise price of each option is set at the fair value of the common shares at the date of grant. The following table summarizes the outstanding stock options:

	Number of Shares	Weighted Average Exercise Price
Granted in the year ended and balance at August 31, 2001	840,000	\$0.55
Granted	1,804,379	0.64
Exercised	(54,000)	0.48
Expired	(39,694)	0.71
Cancelled	(489,685)	0.96
Options outstanding at August 31, 2002	2,061,000	0.53
Granted	465,000	0.57
Exercised	(96,500)	0.67
Cancelled	(162,500)	0.36
Options outstanding at August 31, 2003	2,267,000	\$0.53
Granted	150,000	0.70
Exercised	(47,000)	0.39



Cancelled	(300,000)	0.60
Options outstanding at November 30, 2003	2,070,000	\$0.54

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**8.**

**SHARE CAPITAL (Continued)**

(c)

*Incentive stock option agreement (continued)*

The following table summarizes options outstanding and exercisable at November 30, 2003:

Exercise Prices	Number Outstanding at November 30, 2003	Weighted Average Remaining Contractual Life (Years)	Number Exercisable at November 30, 2003
0.35	385,000	3.27	385,000
0.50	305,000	4.51	305,000
0.55	1,055,000	1.59	877,500
0.70	150,000	4.80	150,000
0.75	125,000	3.63	125,000
0.95	50,000	1.76	50,000
	2,070,000	2.99	1,892,500

The Company granted 150,000 stock options to employees during the period. The Company has elected to measure compensation costs for employee stock options whereby no compensation expense is recognized for the excess, if any, of the quoted market price at the date of grant over the exercise price. Had compensation costs been determined based on the fair value of the options granted using the Black-Scholes option-pricing model, additional compensation expense would have been recorded as follows:

Loss for the period as reported	\$(400,841)
Pro forma compensation expense	(59,000)
Pro forma loss	\$(459,841)
Pro forma basic and diluted loss per share	\$(0.02)

The following weighted average assumptions were used for the Black Scholes valuation of stock options granted during the year:

Risk-free interest rate	3.97%
Expected life of options	5 years
Annualized volatility	69%
Dividend rate	0.00%

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**8.**

**SHARE CAPITAL (Continued)**

(a)

*Share purchase warrants*

	Number of Warrants	Weighted Average Exercise Price
Issued to agents on issue of flow-through special warrants	238,309	\$0.55
Issued to agents on initial public offering	319,539	0.50
Exercised and converted to common shares	(2,000)	0.55
Balance at August 31, 2001	555,848	0.52
Purchase warrants on amalgamation with New Millennium	1,114,695	0.88
Issued to private placement placees (Note 8 (b) (v))	701,786	0.36
Issued to agents on brokered financing (Note 8 (b) (vi))	319,000	0.25
Exercised and converted to common shares	(628,929)	0.66
Expired during the period	(753,878)	0.92
Balance at August 31, 2002	1,308,522	0.38
Issued to private placement placees (Note 8 (b))	2,712,596	0.79
Issued to agents on brokered financing (Note 8 (b) (iv))	304,385	0.75
Exercised and converted to common shares	(645,990)	0.36
Expired during the period	(662,532)	0.39
Balance at August 31, 2003	3,016,981	\$0.79
Issued to private placement placees (Note 8 (b))	1,200,000	1.10
Exercised and converted to common shares	(1,461,963)	0.81
Balance at November 30, 2003	2,755,018	\$0.91

Of the 2,770,018 common share warrants outstanding at November 30, 2003, 500,000 are exercisable at \$0.75 per warrant expiring on December 17, 2004; 775,862 are exercisable at \$0.75 per warrant expiring on December 24, 2004, 279,156 are exercisable at \$0.85 per warrant expiring on December 24, 2003, and 1,200,000 are exercisable at \$1.10 per warrant expiring on October 31, 2004.

(e)

At August 31, 2002, the Company entered into a firm obligation to issue 30,000 shares (2001 - 10,000 shares) with a value of \$9,000 (2001 - \$2,600) in connection with acquisition of mineral properties. These shares were issued during 2003.

**Platinum Group Metals Ltd.**

**MATERIAL CHANGE REPORT**

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**9.**

**RELATED PARTY TRANSACTIONS**

During the year, transactions with related parties were recorded as follows:

(a)

Management and consulting fees of \$64,119 (2002 - \$41,528) were incurred with directors. As at November 30, 2003 an amount of \$9,513 owing was included in accounts payable (2002 - \$7,698).

(b)

During 2003, the Company entered into a service agreement with MAG Silver Corp. ( MAG ), a company with a common director and common officer. During the year the Company received from MAG \$37,749 (2002 - \$Nil). Furthermore, the Company received \$100,000 in finders fees in the form of 200,000 MAG common shares during 2003 for assistance in locating mineral properties in which MAG now has interests.

(c)

On November 26, 2002 the Company purchased 1,461,904 shares of seed capital in Active Gold Group Ltd. for an average price of \$0.11 per share. This represents approximately a 27% interest in Active Gold Group at November 30, 2002. Active Gold Group is a private company incorporated in Canada and which was conceptualized and formulated by the Company. Its business plan is to acquire and develop mature gold properties in South Africa.

Active Gold is related to the Company by way of a common director and a common officer. Active Gold Group has no earnings or losses from its operations. At August 31, 2003, the Company wrote off its remaining investment and advances to Active Gold Group. See Note 5 (a) to these financial statements.

**10.**

**INCOME TAXES**

The provision for income taxes reported differs from the amounts computed by applying cumulative Canadian federal and provincial tax rates to the loss before tax provision due to the following:

	<b>2003</b>	2002
Statutory tax rates	<b>41%</b>	41%
Recovery of income taxes computed at standard rates	<b>\$804,171</b>	\$801,640
Tax losses not recognized in the period that the benefit arose	<b>(591,771)</b>	(348,040)
Future income tax recovery	<b>\$212,400</b>	\$453,600

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**10.**

**INCOME TAXES (Continued)**

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The approximate tax effect of each type of temporary difference that gives rise to the Company's future income tax assets and liability are as follows:

	2003	2002
Future income tax assets		
Operating loss carryforwards	<b>\$1,148,675</b>	\$840,187
Fixed assets	<b>15,429</b>	7,151
Valuation allowance on future income tax assets	<b>(1,164,104)</b>	(847,338)
Net future income tax assets	<b>\$ -</b>	\$ -
Future income tax liability		
Mineral properties	<b>\$359,000</b>	\$431,400
Net future income tax liability	<b>\$359,000</b>	\$431,400

The Company has non-capital loss carryforwards available to offset future taxable income in the amount of approximately \$3.3 million and expire at various dates from 2005 to 2010.

**11.**

**COMMITMENT**

The Company's minimum lease payments under its office agreements are as follows:

2004	\$45,366
2005	23,699
2006	16,227
	<b>\$85,292</b>

**12.**

**NET CHANGE IN NON-CASH WORKING CAPITAL**

Year ended	Cumulative
------------	------------

	<b>Quarter ended</b>	<b>Year</b>	<b>August 31,</b>	<b>amount from</b>
	<b>November 30, 2003</b>	<b>ended</b>	<b>2002</b>	<b>March 16, 2000</b>
		<b>August 31</b>		<b>to August 31,</b>
		<b>,2003</b>		<b>2003</b>
Amounts receivable	<b>\$16,907</b>	\$217,633	\$43,097	\$144,821
Prepaid expenses	<b>(5,837)</b>	33,678	(41,601)	(24,820)
Accounts payable	<b>184,581</b>	58,120	(203,762)	(102,444)
	<b>\$195,651</b>	\$309,431	\$(202,266)	\$17,557

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**13.****SEGMENTED INFORMATION**

The Company operates in one operating segment, that being exploration on mineral properties. Capitalized costs for mineral rights and deferred exploration relate to properties situated as follows:

	<b>Nov.30,2003</b>	<b>Aug.30,2003</b>
Canada	<b>\$3,310,770</b>	<b>\$2,902,851</b>
South Africa	<b>1,289,071</b>	<b>988,802</b>
	<b>\$4,599,841</b>	<b>\$3,891,653</b>

14.

**SUBSEQUENT EVENTS**

Subsequent to the first quarter, 279,156 share purchase warrants were exercised for proceeds of \$237,283 and 18,750 stock options were exercised for proceeds of \$10,313.

**Platinum Group Metals Ltd.**

**MATERIAL CHANGE REPORT**

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**PLATINUM GROUP METALS LTD.**

FORM 51-901F SECURITIES ACT

QUARTERLY REPORT AS AT:

**November 30, 2003**

**FORM 51-901F**

**QUARTERLY REPORT**

Incorporated as part of:

Schedule A

Schedules B & C



**ISSUER DETAILS:**

<b>NAME OF ISSUER</b>	Platinum Group Metals Ltd.
	800 - 409 Granville Street
<b>ISSUER ADDRESS</b>	Vancouver BC, V6C 1T2
<b>ISSUER TELEPHONE NUMBER</b>	(604) 899-5450
<b>CONTACT PERSON</b>	R. Michael Jones
<b>CONTACT S POSITION</b>	President
<b>CONTACT TELEPHONE NUMBER</b>	(604) 899-5450
<b>CONTACT E-MAIL ADDRESS</b>	rmjones@platinumgroupmetals.net
<b>WEBSITE ADDRESS</b>	www.platinumgroupmetals.net
<b>FOR QUARTER ENDED</b>	November 30, 2003
<b>DATE OF REPORT</b>	January 30, 2004

**CERTIFICATE**

THE SCHEDULE(S) REQUIRED TO COMPLETE THIS QUARTERLY REPORT ARE ATTACHED AND THE DISCLOSURE CONTAINED THEREIN HAS BEEN APPROVED BY THE BOARD OF DIRECTORS. A COPY OF THIS QUARTERLY REPORT WILL BE PROVIDED TO ANY SHAREHOLDER WHO REQUESTS IT. PLEASE NOTE THIS FORM IS INCORPORATED AS PART OF BOTH THE REQUIRED FILING OF SCHEDULE A AND SCHEDULES B & C.

R. Michael Jones	<i>R. Michael Jones</i>	04/01/30
<b>NAME OF DIRECTOR</b>	<b><i>SIGN</i></b>	<b>DATE SIGNED</b>
Frank R. Hallam	<i>Frank R. Hallam</i>	04/01/30
<b>NAME OF DIRECTOR</b>	<b><i>SIGN</i></b>	<b>DATE SIGNED</b>

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**PLATINUM GROUP METALS LTD.**

FORM 51-901F SECURITIES ACT

QUARTERLY REPORT AS AT:

**NOVEMBER 30, 2003**

**SCHEDULE B:**

**SUPPLEMENTARY INFORMATION**

1.

**ANALYSIS OF EXPENSES AND DEFERRED COSTS**

a)

**General and Administrative Expenses**

General and administrative expenses for the three month period totaled \$319,281 (2002 - \$186,178), net of revenues of \$40,205 (2002 - \$5,171). Shareholder relations expense, web site hosting and maintenance, investor calls, mail outs, printing and news releases totaled \$9,583 (2002 - \$54,972). Transfer agent and listing and sustaining fees totaled \$15,856 (2002 - \$4,321). Professional fees of \$14,405 (2002 - \$26,002) were incurred for legal, audit and accounting services. Management fees expense totaled \$70,876 (2002 - \$55,225). The increase in administration costs during the period, in contrast to the prior year relates principally to increased promotional costs \$41,947 (Nov.2002 - \$9,857) as the Company has attended more trade shows; travel costs of \$42,909 (Nov.2002 - \$8,769) as the management has traveled more frequently to South Africa and Toronto; corporate finance costs \$25,000 (Nov.2002 - Nil); and salaries and benefits \$76,509 (Nov.2002 - \$13,763) although this is partly offset due to a decrease in shareholder relations \$2,062 (Nov.2002 - \$53,423) as the Company now provides this service in house. The Company's amalgamation with New Millennium Metals Corporation in February 2002 and its increased activity level in Canada and South Africa have resulted in higher costs in this period as opposed to the previous years comparative period.

b)

**Investment in Mineral Properties**

Exploration and development costs deferred for the period totaled \$650,283 (2002 - \$533,956). Of that amount approximately \$338,852 was incurred on the Company's Thunder Bay properties, and approximately \$10,438 was incurred on the Company's Sudbury properties. Programs in Thunder Bay included \$227,000 in drilling 3,042m and \$21,464 in geological work principally on the Shelby Lake and Lac des Iles River properties. The program in Thunder Bay was on budget. An amount of \$300,992 was incurred on the Company's South African properties. In South Africa the main expenditures were \$89,140 on Tweespalk for drilling and \$172,004 for geological consulting at Elandsfontein. Gross cost recoveries on mineral properties during the period amounted to \$nil (2002 - \$24,275). During the period \$26,290 (2002 - \$75,509) in net deferred costs relating to mineral properties were written off. In general project budgets are highly variable as they are modified as exploration results are received.

2.

**RELATED PARTY TRANSACTIONS**

Management and consulting fees of \$64,119 (2002 - \$41,528) were incurred with directors during the period ended November 30, 2003. Approximately \$32,499 is related to fees for the Company's President. At November 30, 2003 fees totaling \$9,513 (2002 - \$7,698) were owed and were included in accounts payable.

3.

**SUMMARY OF SECURITIES ISSUED AND OPTIONS GRANTED**

a)

**Shares issued during the period:**

	<b>Number Issued</b>	<b>Value</b>
Common shares at \$0.33 for mineral properties	10,909	\$ 3,600
Common shares at \$0.35 on option exercise	37,000	12,950
Common shares at \$0.55 on option exercise	10,000	5,500
Common shares at \$0.75 on warrant exercise	559,773	419,830
Common shares at \$0.85 on warrant exercise	902,190	766,861
Common shares at \$0.85 for private placement	2,400,000	2,040,000
Sub-total:	3,919,872	\$ 3,248,741

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**PLATINUM GROUP METALS LTD.**

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QUARTERLY REPORT AS AT:

**NOVEMBER 30, 2003****SCHEDULE B:****SUPPLEMENTARY INFORMATION**

3.

**SUMMARY OF SECURITIES ISSUED AND OPTIONS GRANTED** (continued)

On September 17, 2003 the Company granted 150,000 incentive stock options to employees. The options are exercisable at a price of \$0.70 per share for a term of five years. During the period 300,000 options to former consultants and an employee were cancelled.

4.

**SUMMARY OF SECURITIES AS AT THE END OF THE REPORTING PERIOD**

a)

**Authorized and issued share capital:**

Class	Par Value	Authorized	Issued	Amount
Common	NPV	1,000,000,000	31,751,139	\$12,253,819

b)

**Options outstanding:**

<b>Name of Optionee</b>	<b>Date Granted</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>No of Shares</b>
R. Michael Jones	January 31, 2000	\$0.55	January 31, 2005	225,000
Dennis Gorc	January 31, 2000	\$0.55	January 31, 2005	150,000
Cyrus Driver	January 31, 2000	\$0.55	January 31, 2005	25,000
Barry Smee	January 31, 2000	\$0.55	January 31, 2005	125,000
Douglas Hurst	January 31, 2000	\$0.55	January 31, 2005	100,000
Iain McLean	January 31, 2000	\$0.55	January 31, 2005	100,000
Cyrus Driver	June 15, 2001	\$0.55	June 15, 2005	65,000
Barry Smee	March 6, 2002	\$0.35	March 6, 2007	60,000
Dennis Gorc	March 6, 2002	\$0.35	March 6, 2007	40,000
Douglas Hurst	March 6, 2002	\$0.35	March 6, 2007	30,000
Frank Hallam	March 6, 2002	\$0.35	March 6, 2007	42,000
Iain McLean	March 6, 2002	\$0.35	March 6, 2007	60,000
R. Michael Jones	March 6, 2002	\$0.35	March 6, 2007	120,000
Frank Hallam	March 6, 2002	\$0.55	March 6, 2007	60,000
Frank Hallam	July 16, 2002	\$0.75	July 16, 2007	50,000
Employees	January 31, 2000	\$0.55	January 31, 2005	25,000
Employees	March 6, 2002	\$0.35	March 6, 2007	33,000
Employees	March 6, 2002	\$0.55	March 6, 2007	95,000
Consultants/Advisors	July 16, 2002	\$0.75	July 16, 2007	75,000
Consultants/Advisors	September 2, 2002	\$0.95	Sept. 2, 2005	50,000
Consultants/Advisors	December 12, 2002	\$0.55	Dec. 12, 2005	85,000
Employees	May 5, 2003	\$0.50	May 5, 2008	130,000
Employees	May 12, 2003	\$0.50	May 12, 2008	25,000
John Gould	June 27, 2003	\$0.50	June 27, 2008	150,000
Frank Hallam	September 17,2003	\$0.70	September 17,2003	75,000
John Gould	September 17,2003	\$0.70	September 17,2003	75,000
			<b>Total:</b>	<b>2,070,000</b>

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**PLATINUM GROUP METALS LTD.**

FORM 51-901F SECURITIES ACT

QUARTERLY REPORT AS AT:

**NOVEMBER 30, 2003**

**SCHEDULE B:**

**SUPPLEMENTARY INFORMATION**

4.

**SUMMARY OF SECURITIES AS AT THE END OF THE REPORTING PERIOD** (Continued)

c)

**Warrants outstanding:**

The following warrants are each exercisable into one common share of the Company as follows:

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry</b>
1,275,862	\$0.75	December 24, 2004
279,156	\$0.85	December 24, 2003
1,200,000	\$1.10	October 31, 2004

d)

**Shares in escrow or subject to pooling**

Escrowed at August 30, 2003

199,318 shares

Subject to pooling

none

5.

**LIST OF DIRECTORS AND OFFICERS**

a)

**Directors:**

R. Michael Jones

Barry W. Smee

Iain McLean

Douglas Hurst

Frank Hallam

b)

**Officers:**

R. Michael Jones (President)

Barry Smee (Secretary)

Frank Hallam (Chief Financial Officer)

c)

**Officers of Subsidiary:**

John Gould (Managing Director Platinum Group Metals RSA Ltd.)

1.

## **DESCRIPTION OF BUSINESS**

The Company was incorporated on February 18, 2002 by an order of the Supreme Court of British Columbia approving an amalgamation by plan of arrangement between Platinum Group Metals Ltd. and New Millennium Metals Corporation. Platinum Group Metals Ltd. was incorporated on January 10, 2000 as 599141 B.C. Ltd. and changed its name to Platinum Group Metals Ltd. on March 16, 2000, at which time it commenced operations. New Millennium Metals Corporation was incorporated in British Columbia on March 11, 1983 under the name Harvey Creek Gold Placers Ltd. Later, on March 22, 1999 the company was renamed New Millennium Metals Corporation. As a result of the amalgamation both New Millennium Metals Corporation and Platinum Group Metals Ltd. ceased to exist as of February 18, 2002. As a result of the amalgamation, a new company also named Platinum Group Metals Ltd. was formed and it assumed all of the rights and obligations of the two predecessor corporations.

In exchange for 100% of the issued and outstanding shares of New Millennium, the shareholders of New Millennium each received one share of the new company for each 1.65 shares of New Millennium. The new Platinum Group Metals Ltd. issued and delivered 5,468,421 shares to the shareholders of New Millennium. Shareholders of the old Platinum Group Metals Ltd. each received one share of the new company in exchange for every one share of the old company. All of the continuing obligations of New Millennium with regard to share purchase options, warrants and share payments were converted according to a ratio of 1.65:1.

The Company is an exploration and development company conducting work primarily on mineral properties it has staked or acquired by way of option agreement in Ontario and the Republic of South Africa. The Company has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The Company defers all acquisition, exploration and development costs related to mineral properties. The recoverability of these amounts is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of the property, and any future profitable production, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

2.

## **DISCUSSION OF OPERATIONS AND FINANCIAL CONDITIONS**

a)

Results of Operations



During the period the Company incurred a loss of \$400,841 (2002 - \$288,616). Included were mineral property write down expenses of \$26,290 (2002 - \$75,508). General and administrative expenses totaled \$359,486 (2002 - \$191,349) before interest and other income of \$40,205 (2002 - \$5,171). The increase in administration costs during the period, in contrast to the prior year relates principally to increased promotional costs \$41,947 (Nov.2002 - \$9,857) as the Company has attended more trade shows; travel costs of \$42,909 (Nov.2002 - \$8,769) as the management has traveled more frequently to South Africa and Toronto; corporate finance costs \$25,000 (Nov.2002 - Nil); and salaries and benefits \$76,509 (Nov.2002 - \$13,763) although this is partly offset due to a decrease in shareholder relations \$2,062 (Nov.2002 - \$53,423) as the Company now provides this service in house.

The Company increased its general level of activity in the past year including activities in Canada and South Africa. Also the Company has increased its profile and and liquidity in the capital markets.

2.

## **DISCUSSION OF OPERATIONS AND FINANCIAL CONDITIONS (Continued)**

b)

### Exploration Programs and Expenditures

During 2003 the Company continued to focus its Canadian exploration efforts on detailed geology, geochemistry and drilling work on its properties located in Ontario. The focus of attention has been the Shelby Lake and the Lac des Iles River properties near Thunder Bay. A 3,000 metre drilling program was completed on the property in November 2003 and results are pending. Further work is recommended. On the Company's Agnew Lake Property located west of Sudbury, Ontario Joint Venture partners Pacific Northwest Capital Corp. and Kaymin Resources Limited (a subsidiary of Anglo American Platinum Corporation Limited) continue to explore and to date have spent approximately \$2.5 million on the property. Later in the year the Company optioned a right to acquire up to a 62% interest in the Lakemount nickel-copper project located near Wawa, Ontario. Last drilled in

1957, this property hosts well-defined low-grade nickel-copper mineralization with unexplored PGE potential. In December 2003 the Company completed a 1,475 metre drilling program on the property and results are pending.

The Company acquired many of its Ontario properties through its amalgamation with New Millennium Metals Corporation on February 18, 2002. During 2002 these properties had a net acquisition cost to the Company of \$1,930,444.

Acquisition costs deferred during the period totaled \$84,195 (Nov. 2002 - \$218,984). Exploration and development costs deferred totaled \$650,283 (Nov. 2002 - \$533,956). Of that amount approximately \$338,852 was incurred on the Company's Thunder Bay properties, and approximately \$10,438 was incurred on the Company's Sudbury properties. An amount of \$300,992 was incurred on the Company's South African properties. Gross cost recoveries on mineral properties during the period amounted to \$nil (2002 - \$24,275). During the period \$26,290 (2002 - \$75,509) in net deferred costs relating to mineral properties were written off.

During 2003 the Company focused its acquisition efforts on the Republic of South Africa ( RSA ). The Company has formed a 100% South African subsidiary named Platinum Group Metals (RSA)(Pty.) Ltd. ( PTM RSA ) for the purposes of holding mineral rights and conducting operations on behalf of the Company in the RSA. PTM RSA has appointed Mr. John Gould, a senior mining executive, as managing director and has also established a permanent office in Johannesburg.

On June 3, 2002, the Company acquired a right to earn a 100% interest in two properties located in the Northern Limb or Platreef area of the Bushveld Complex near Johannesburg. The properties are comprised of the 2,396 hectare War Springs Property and the 2,177 hectare Tweespalk Property, both located on the postulated extension of the Platreef near the PPRust Platinum Mine operated by Anglo American Platinum Corporation Limited. Costs of investigation and acquisition to August 31, 2003 amounted to \$265,185 (2002 - \$141,450) and these costs have been deferred. The agreement allows the Company to purchase 100% of these mineral rights at any time within three years from the date of grant of prospecting permits on both properties for US\$475 per hectare in year one, or US\$570 per hectare in year two, or US\$690 per hectare in year three. In addition, subsequent to the granting of a prospecting permit, the Company has agreed to pay prospecting fees to the mineral rights holders of US\$2.50 per hectare in year one, US\$2.75 per hectare in year two and US\$3.25 per hectare in year three. The mineral rights holders retain a 1% NSR Royalty on the property, subject to the Company's right to purchase the NSR at any time for US\$1.4 million. A 5% finder's fee on payments made to the mineral rights holders is payable a South African consulting group retained by the Company in 2002. A prospecting permit was granted on Tweespalk August 11, 2003, and a permit is expected on Warsprings shortly.

2.

## **DISCUSSION OF OPERATIONS AND FINANCIAL CONDITIONS (Continued)**

b)

**Exploration Programs and Expenditures (Continued)**

In November 2002 the Company entered into a joint venture agreement with Africa Wide Mining ( AW ), a Black Economic Empowerment group in South Africa, whereby Africa Wide may acquire 30% of both the War Springs and Tweespalk properties in exchange for contributing 30% of all costs. By doing so the Company immediately exceeded the ten-year objective of the Government of South Africa for at least 26% participation in mining activities in South Africa by historically disadvantaged South Africans by 2010.

Shortly after securing its option to acquire the War Springs and Tweespalk properties the Company found that another Black Economic Empowerment company, Taung Minerals (Pty) Ltd. ( Taung ), had obtained a prospecting permit over portions of the War Springs property. Taung purported to have a one-third interest for some of the mineral rights to portions of the property. The Company contested Taung's position through a formal appeal process in the Republic of South Africa.

In September 2003 the Company, Taung and AW agreed to a negotiated settlement of the title dispute on the War Springs property by reducing AW's participation in the project from a 30% participating interest to a 15% interest carried to bankable feasibility, and then granting Taung a 15% interest carried to bankable feasibility. The Company's 70% interest remained unchanged.

The Company has not recorded a receivable for AW's 30% participating interest in the Tweespalk property, which at August 31, 2003 is calculated to be \$37,628, as AW is not currently able to tender such an amount. The Company expects that AW will achieve its own financing in the near future and when it does so, the Company will record a receivable from AW and submit a cash call to AW for settlement. The amount recovered from AW will be treated in a reduction of the Company's costs relating to the Tweespalk property.

During 2002 the Company entered into an option agreement with Ledig Minerale Regte 909 JQ (Pty.) Ltd. ( Ledig Minerale ) whereby the Company could earn a 55% interest in Ledig Minerale's holdings on the Ledig Farm property located in the Western Bushveld area near Sun City, RSA, approximately 100 km northwest of Johannesburg. At February 28, 2002 the Company had incurred \$273,176 in costs relating to the property. Further payments by the Company were contingent upon completion of certain title confirmation procedures by Ledig Minerale and the granting of a valid prospecting license by the Government of the Republic of South Africa. These conditions were not met and the Company refused to waive them. The agreement was therefore terminated and all costs relating to the project were written off by the Company.

In December 2002 the Company entered into an option agreement to purchase 100% of the 296 hectare Elandsfontein property located adjacent to the Bafokeng Rasimone Platinum Mine in the Western Bushveld area of South Africa. The Company made an initial payment to the Vendors of ZAR 150,000 (approximately C\$29,500 at the time of payment). The Company must also pay a base price of ZAR43 (approximately C\$8.50) per tonne of open castable economic Upper Group 2 ( UG2 ) reef resource on the property, to a minimum of ZAR4,000,000 (approximately

C\$791,000). A further payment of ZAR4.30 (approximately C\$0.85) per tonne is due on any economic underground resource. The purchase price is payable 90 days after the grant of a mining authorization. The Company was obligated to a minimum exploration program, which was completed before the end of the period. The Company also acquired a right to purchase the surface rights to the property at a price of R 6,500 (approximately C\$1,285) per hectare.

2.

**DISCUSSION OF OPERATIONS AND FINANCIAL CONDITIONS (Continued)**

b)

**Exploration Programs and Expenditures (Continued)**

The Company validly exercised the option provided in the option agreement by way of written notice on June 26, 2003. The initial ten percent of the purchase price for the mineral rights was later tendered in terms of the option agreement. The vendors now claim that the purchase price is unascertained or unascertainable and that the agreement is therefore void. The parties have agreed to refer the matter for Expert Determination as provided for in the option agreement. PTM RSA intends enforcing its rights in terms of the option agreement and is supported by the Company in this regard. PTM RSA and the Company have sought legal advice and are confident in their prospects of successfully defending their position. The alternative dispute resolution process provided for in the contract is expected to commence at the beginning of 2004. Time limits for the dispute resolution have not been set.

On November 6, 2003 the Company entered an option agreement to acquire up to a 62% interest in the 3,017 hectare Lakemount property located near Wawa, Ontario. Under the terms of the agreement the Company may earn up to 51% of the property by completing \$2.5 million in exploration and development expenditures and by making staged payments totalling \$150,000 (\$25,000 paid) and 150,000 common shares by December 31, 2008. A firm commitment to incur \$100,000 in exploration work on the project by December 31, 2003 has been met. The Company may acquire an additional 11% interest in the property by making a payment of \$3.3 million to an underlying holder. The leases comprising the Lakemount property are subject to net smelter return royalties ranging from 1.5% to 3.0% and a net sales royalty on precious stones of 1.5%. These royalties are subject to buy-out and buy-down provisions.

c)

Administration Expenses

Administration expenses and professional fees for the three month period totaled \$319,281 (Nov. 2002 - \$186,178).

During the year 2002 the Company grew substantially through its amalgamation with New Millennium Metals Corporation and its expansion into the Republic of South Africa. During 2003 this growth continued as the Company acquired additional property in South Africa and commenced active exploration on the ground. During the period an amount of \$6,500 (Nov. 2002 - \$nil) in expenses relate to Part XII.6 tax applied by the Canadian Federal government on unspent flow-through funds which were rescinded to shareholders for the previous year under the look-back provisions of the flow-through tax regulations. An amount of \$203 (Nov. 2002 - \$24,680) was expensed for new property investigations during the period. Interest and other income for the period totaled \$40,205 (2002 - \$5,171).

d)

#### Related Party Transactions

Management and consulting fees of \$64,119 (Nov. 2002 - \$41,528) were incurred with directors during the period ended November 30, 2003. Approximately \$32,499 is related to fees for the Company's President. At November 30, 2003 fees totaling \$9,513 (Nov. 2002 - \$7,698) owed and included in accounts payable. Geological fees of \$22,425 (Nov. 2002 - \$18,200) were incurred with an officer during the period, of which \$3,250 (Nov. 2002 - \$6,260) was owed and included in accounts payable at November 30, 2003.

2.

## **DISCUSSION OF OPERATIONS AND FINANCIAL CONDITIONS (Continued)**

e)

#### Shareholder Relation Expense

Shareholder relations services were incurred during a portion of the last fiscal year in accordance with approved contracts with Roth Investor Relations until April 2003 and Defero Corporate Communications until June 2003. The Company incurred shareholder relations expenses during fiscal 2003 totaling \$159,532 (2002 - \$203,138). Such expenses in 2003 were lower than in 2002 as the Company did not renew a contract with Defero and renewed a contract with Roth on a reduced engagement. The Company now manages its shareholder relations as an internal function. During 2003 the Company was active in raising its profile with both retail and institutional investors. Until April 2003 Roth Investor Relations were paid a retainer fee of US\$4,000 per month, plus expenses. Subsequent to April 2003 Roth charges the Company for its services as they are incurred from time to time. They provide distribution of the Company's information primarily to US institutions and other international analysts and money managers. Roth has offices in New Jersey, USA and affiliated offices in London and Johannesburg. Mr. Larry Roth is the Company's primary contact with the firm. Defero Corporate communications was contracted in February 2002 to increase retail investor awareness of the Company in Canada. The Defero contract included a \$10,000 signing bonus

and a \$5,000 monthly fee.

During the first quarter ending November 30, 2003 the Company utilized its own staff including the President and Manager of Corporate Development to carry out the investor relations function. Outside investor relations expenses totaled \$2,062 for the period.

f)

#### **Travel Expenses**

Travel expenses for the period amounted to \$42,909 (Nov. 2002 - \$8,769). These activities relate to the supervision of ongoing operations, new property investigations and meetings with potential institutional and sophisticated investors, in Canada, USA, London and South Africa.

g)

#### **Property Acquisition Expenses**

Property acquisition expenditures during the period totaled \$84,195 (Nov. 2002 - \$218,984) in cash and shares. Of the amount incurred for 2002 the Company recorded acquisition costs upon amalgamation for the mineral properties of New Millennium Metals Corporation of \$1,930,444. The amount represents consideration paid in shares, cash and the assumption of future liabilities and transaction costs of \$231,325. Cash and share payments for other properties during the year include \$55,028 for properties near Thunder Bay, Ontario, \$3,600 for properties near Sudbury, Ontario, and \$25,567 to acquire option rights to the South African Properties.

The sum of all payments required to perfect all of the Company's mineral rights are greater than its currently available working capital. The Company evaluates its property interests on an ongoing basis and intends to abandon properties that fail to remain prospective. The Company is confident that it will be able to meet its earn-in obligations on those properties which management considers to be of merit. At the time of writing the Company was incurring further property acquisition expenses through its activities in Ontario, Canada and the Republic of South Africa.

## **LIQUIDITY AND CAPITAL RESOURCES**

The Company issued a total of 3,919,872 (Nov. 2002 - 699,299) common shares during the period. Of this 3,908,963 shares (Nov. 2002 - 689,603) were issued for cash proceeds of \$3,245,141 (2002 - \$237,261). A further 10,909 shares (Nov. 2002 - 9,696) were issued for mineral properties for a value of \$3,600 (Nov. 2002 - \$3,200). Cash proceeds are to be spent on mineral property acquisitions, exploration and development as well as for general working capital purposes.

On November 4, 2003 the Company completed a non-brokered private placement for proceeds of \$2,040,000. The placement was made to a single strategic investor and consisted of units priced at \$0.85 each. Each unit was comprised of one common share and one-half common share purchase warrant. Each whole purchase warrant is exercisable into one additional common share at a price of \$1.10 for a period of 12 months from closing. The securities issued were subject to a four-month resale restriction ending on March 1, 2004. No finder's fees or commissions were paid in relation to the placement.

The primary source of capital has been from the sale of equity. As at November 30, 2003 the Company had cash and cash equivalents on hand of \$3,304,219 compared to cash and cash equivalents of \$376,826 at November 30, 2002. The primary use of cash during the period was for the costs of acquisition and exploration expenditures, being approximately \$734,478 (Nov. 2002 - \$417,118), management fees and expenses of \$70,876 (Nov. 2002 - \$55,225) and other general and administrative expenses of \$288,610 (Nov. 2002 - \$136,124). Subsequent to the period the Company received \$237,283 upon the exercise of share purchase warrants and \$10,313 upon the exercise of incentive stock options.

In the normal course of business the Company enters into transactions for the purchase of supplies and services denominated in South African Rand. The Company also has cash and certain liabilities denominated in South African Rand. As a result the Company is subject to foreign exchange risk from fluctuations in foreign exchange rates. In the past year to the time of writing this report, the South African Rand has gained in value against the Canadian dollar by approximately 8%.

4.

## **CORPORATE GOVERNANCE**

A system of internal control is maintained by management to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable. The board of directors approves the financial statements and ensures that management discharges its financial responsibilities. The board's review is accomplished principally through the audit committee, which is composed of non-executive directors. The audit committee meets periodically

with management and auditors to review financial reporting and control matters. The board of directors has also appointed a compensation committee composed of non-executive directors whose recommendations are followed with regard to executive compensation. From time to time the board may also form special sub-committees, which must investigate and report to the board on specific topics.

5.

## **SUBSEQUENT EVENTS**

Subsequent to the first quarter, 279,156 share purchase warrants were exercised for proceeds of \$237,283 and 18,750 stock options were exercised for proceeds of \$10,313.

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# **FORM 53-901F**

## **MATERIAL CHANGE REPORT**

**UNDER SECTION 85(1) OF THE SECURITIES ACT (BRITISH COLUMBIA)**

**AND SECTION 118(1) OF THE SECURITIES ACT (ALBERTA)**

### **ITEM 1. REPORTING ISSUER**

PLATINUM GROUP METALS LTD.  
800 - 409 Granville Street  
Vancouver BC, V6C 1T2  
Telephone: (604) 899 -5450  
Facsimile: (604) 484 -4710

### **ITEM 2. DATE OF MATERIAL CHANGE**

February 3, 2004 **ITEM 3. PRESS RELEASE** The Issuer issued a press release at Vancouver BC dated February 3, 2004 to the TSX Venture Exchange and through various other approved public media. **ITEM 4. SUMMARY OF MATERIAL CHANGE**



Platinum Group Metals Ltd. ("PTM") announces additional well-mineralized intercepts from its drill program at the Lakemount Project near Wawa Ontario

**ITEM 5.FULL DESCRIPTION OF MATERIAL CHANGE** See the news release dated February 3, 2004. **ITEM 6.RELIANCE ON SECTION 85(2) OF THE ACT (BRITISH COLUMBIA) AND SECTION 118(2) OF THE ACT (ALBERTA)** N/A **ITEM 7.OMITTED INFORMATION** N/A

**ITEM 8.Senior Officers**

The following senior officer of the Issuer is knowledgeable about the material change and may be contacted by the Commission at the following telephone number:

R. Michael Jones, President & CEO

Phone: (604) 899-5450

**ITEM 9.STATEMENT OF SENIOR OFFICER**

The foregoing accurately discloses the material change referred to herein. Dated at Vancouver, British Columbia this 3rd day of February, 2004.

**Platinum Group Metals Ltd.**

**"R. Michael Jones"**

R. Michael Jones,  
President & CEO

P

**NICKEL COPPER PLATINUM PALLADIUM ZONE AT LAKEMOUNT  
CONFIRMED WITH ADDITIONAL HIGH GRADE DRILL INTERCEPTS**

**Platinum Group Metals Ltd.** (PTM-TSXV) is pleased to announce additional well-mineralized intercepts from Holes 7 and 8 from its drill program at the Lakemount Project near Wawa Ontario. Results for Holes 1 to 6 were published in the Company news release dated January 27, 2004.

Hole 7 reports an intercept of 0.67 % nickel, 0.30 % copper, and 0.393 grams per tonne of platinum, palladium and gold over 11.5 metres. Hole 8 reports an intercept of 0.87 % nickel, 0.48 % copper, 0.588 grams per tonne of platinum, palladium and gold over 13.5 metres including an intercept of 1.40 % nickel, 0.69 % copper, and 0.769 grams per tonne of platinum, palladium and gold over 5.0 metres.

The results from Holes 7 and 8 compare to the previously reported Hole 6 intercept of 0.74 % nickel, 0.67 % copper, and 0.93 grams per tonne of platinum, palladium and gold over 5.5 metres.

Detailed results are outlined in the table below. Hole 8 is located about 200 metres west of Hole 6 and is the only hole in the current 8 drill hole program to have tested the western portion of the 800 metres long Sunrise Zone as defined in the 1942-1957 diamond drilling. The intercepts in Holes 6, 7 and 8 confirm the potential for higher-grade sections within the overall 800 meter Sunrise Zone. The drill results from the PTM 2003 (8 holes totalling 1475 metres) drilling also confirm the presence of multiple zones of mineralization at different stratigraphic horizons within the basal 100 metres of the Sunrise Ultramafic Intrusion.

The next step for PTM on the Lakemount project is to target further drilling using 3 dimensional modelling and modern electrical geophysics. Geophysical techniques will be applied both from surface and from down recently completed drill holes. The higher-grade zones intersected to date should provide a good electrical conductivity signature and PTM expects that geophysical surveys will be very effective for targeting higher grade objectives for the next round of drilling.

The next round of drilling is expected to resume at Lakemount soon, before the end of the first quarter of 2004. Mineralization at Lakemount is hosted within the 2.0 kilometres long by 0.6 kilometres wide Sunrise Mafic Intrusion. The entire margin of the intrusive has good potential to host mineralization. Mobilization of crews to conduct electrical geophysics will begin as soon as possible.

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Hole No	Grid Grid		Azimuth (degrees)	Dip (degrees)	From (m)	To (m)	Intercept (m)	Pt (g/t)	Pd (g/t)	Au (g/t)	3PGE		
	West (m)	North (m)									Pt+Pd+Au (g/t)	Cu %	Ni %
LK-03-07	600	176	165	-60	51.00	56.00	5.00	<b>0.170</b>	<b>0.123</b>	<b>0.085</b>	<b>0.378</b>	<b>0.30</b>	<b>0.57</b>
					62.50	74.00	11.50	<b>0.181</b>	<b>0.129</b>	<b>0.084</b>	<b>0.393</b>	<b>0.40</b>	<b>0.67</b>
					185.00	190.00	5.00	<b>0.093</b>	<b>0.073</b>	<b>0.095</b>	<b>0.261</b>	<b>0.12</b>	<b>0.30</b>
LK-03-08	791	213	205	-50	138.00	151.00	13.00	<b>0.290</b>	<b>0.190</b>	<b>0.108</b>	<b>0.588</b>	<b>0.48</b>	<b>0.87</b>
					Including	143.00	148.00	5.00	<b>0.405</b>	<b>0.234</b>	<b>0.130</b>	<b>0.769</b>	<b>0.69</b>

As previously announced in PTM's news release of January 27, 2004, the gross metal value (US\$) of the intercept in drill Hole 6 is provided as a confirmation of the property as a valid exploration target for further work, and as a tool for comparison to other multi-metallic projects. The value does not confirm the economic nature of the mineralization or take into account mining dilution, milling recoveries, smelter factors or other factors that will not be detailed until completion of a feasibility study. Assuming a copper price of \$ 1.00/lb, a nickel price of \$5.00/lb, a platinum price of \$800/oz, a palladium price of \$200/oz and a gold price of \$400/oz, the gross metal values of Hole 6 are \$14.80/ tonne copper, \$81.60/tonne nickel and \$16.71/tonne platinum, palladium and gold for a total of US \$113/tonne.

For comparison, the gross metal value (US\$) of the 5.0 metre intercept in drill Hole 8, assuming the same metal prices as above, is \$15.21/ tonne copper, \$154.32/tonne nickel and \$13.60/tonne platinum, palladium and gold for a total of US \$183/tonne.

The Lakemount Property is located 10 kilometres east of Wawa, Ontario along Highway 101 and covers an area approximately 4 by 6 kilometres. The highway and logging roads provide easy access to the known mineralized zones. Under the option agreement, PTM can earn and purchase up to a 62% interest in the Lakemount Property from

Western Prospector Ltd. and the underlying vendors.

### **Qualified Person and Quality Assurance and Control**

Dennis Gorc P. Geol., Manager of Research and Acquisitions, is acting as the Qualified Person, QP for Platinum Group Metals Ltd., for this release. He is registered with the Professional Engineers and Geoscientist of British Columbia and the Association of Professional Geoscientists of Ontario. He also directed this drilling program. Drill core was sawn with half being retained for future study. The samples collected from the second half of the drill core was placed in containers sealed on site and tagged with a secure chain-of-custody security seal before being transported to the ALS Chemex (Thunder Bay) sample preparation facility. ALS Chemex upon receiving a sample shipment examined all containers to confirm that the attached security tag was intact and that the sealed container was also intact and has not been opened. PTM has inserted duplicates, blanks and standards in the assay sample stream as a part of its internal Quality Assurance and Quality Control program ( QAQC ). All samples were analyzed by ALS-Chemex Labs (Vancouver) for platinum, palladium, and gold by their PGM-ICP23 (30g fire assay

- ICP finish) that included their own internal quality control program of standards and for nickel and copper by their ME-ICP61 method (27 elements by HF-HNO<sub>3</sub>-HClO<sub>4</sub> acid digestion, HCl leach and ICP-AES). Samples which returned Overlimits (>10,000 ppm Cu, >10,000 ppm Ni) were analyzed for nickel or copper using their AA62 method Cu, Ni overlimits by HF-HNO<sub>3</sub>-HClO<sub>4</sub> acid digestion, HCl leach and AAS finish.

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### **ABOUT PTM**

PTM is based in Vancouver BC, Canada and has active exploration programs in Canada and South Africa. The Company was founded in 2000 with the vision of tight physical markets for platinum group elements and the corresponding anticipated increase the value of platinum mineral rights and resources by 2005. The Company is distinctive as a result of its focus on platinum and palladium and its property portfolio in both Canada and South Africa.

PTM holds significant mineral rights in the northern and western limbs of the Bushveld Intrusive Complex in South Africa and is planning to continue its acquisition of mineral rights in South Africa. The Bushveld Complex is the source of most of the world's platinum.

The Company is also the largest mineral rights holders in the area surrounding Canada's only primary platinum and palladium mine near Thunder Bay, Ontario and PTM has a separate active joint venture, Agnew Lake with Anglo Platinum, the world's largest producer of platinum, near Sudbury, Ontario, Canada.

**On behalf of the Board of**

Platinum Group Metals Ltd.

**"R. Michael Jones"**

President, Director

- 30 -

For further information contact:

John Foulkes, Manager Corporate  
Development

Platinum Group Metals Ltd.,  
Vancouver

Tel: (604) 899-5450 / Toll Free: (866)  
899-5450

R. Michael Jones, President

Platinum Group Metals Ltd., Vancouver

Tel: (604) 899-5450 / Toll Free: (866) 899-5450

*The TSX Venture Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this news release, which has been prepared by management.*

**Note to U.S. Investors:** Investors are urged to consider closely the disclosure in our Form 20F, File No. 0-30306, available at our office: Suite 800

- 409 Granville Street, Vancouver BC, Canada, V6C 1T2 or from the SEC: 1(800) SEC-0330.

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**FORM 53-901F**

**MATERIAL CHANGE REPORT**

**UNDER SECTION 85(1) OF THE SECURITIES ACT (BRITISH COLUMBIA)**

**AND SECTION 118(1) OF THE SECURITIES ACT (ALBERTA)**

**ITEM 1.**

**REPORTING ISSUER**

PLATINUM GRO UP METALS LTD.  
800 - 409 Granville Street  
Vancouver BC, V6C 1T2  
Telephone: (604) 899 -5450  
Facsimile: (604) 484 -4710

**ITEM 2.**

**DATE OF MATERIAL CHANGE**

February 17, 2004

**ITEM 3.**

**PRESS RELEASE**

The Issuer issued a press release at Vancouver BC dated February 17, 2004 to the TSX Venture Exchange and through various other approved public media.

**ITEM 4.**

**SUMMARY OF MATERIAL CHANGE**

Platinum Group Metals Ltd. ("PTM") provides an update on its three active large scale Canadian exploration projects.

**ITEM 6.**

**RELIANCE ON SECTION 85(2) OF THE ACT (BRITISH COLUMBIA) AND SECTION 118(2) OF THE ACT (ALBERTA)**

N/A

**ITEM 7.**

**OMITTED INFORMATION**

N/A

**ITEM 8. Senior Officers**

The following senior officer of the Issuer is knowledgeable about the material change and may be contacted by the Commission at the following telephone number:

R. Michael Jones, President & CEO

Phone: (604) 899-5450

**ITEM 9.STATEMENT OF SENIOR OFFICER**

The foregoing accurately discloses the material change referred to herein. Dated at Vancouver, British Columbia this 18th day of February, 2004.

**Platinum Group Metals Ltd.**

**"R. Michael Jones"**

R. Michael Jones,  
President & CEO

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**WAR SPRINGS PERMIT GRANTED**

**Platinum Group Metals Ltd. (PTM-TSXV)** is pleased to announce that it s wholly owned subsidiary, Platinum Group Metals (RSA) Pty Ltd, ( PTM RSA ), has been granted a prospecting permit for the War Springs property in the

northern limb of the Bushveld Complex. Geophysical work, ground mapping and sampling work to target drilling will commence shortly and initial drilling is planned for mid 2004.

The War Springs property is surrounded by several known platinum deposits along the Platreef Contact of the northern limb of the Bushveld Complex. War Springs is located 17 kilometres along trend to the south of Anglo Platinum's PPRust open pit platinum mine and 9 kilometres along trend to the South of Robert Friedland's African Minerals property. PPRust reports open pit reserves of 332 million tonnes grading 2.67 g/t (0.08 ounces per tonne, approximately 28 million ounces) 4 PGE's, (platinum, palladium, rhodium and gold) and resources of 718 million tonnes grading 2.79 g/t (0.08 ounces per tonne). (Source: Anglo Platinum Annual Report 2002). African Minerals project is reported to have over 500 drill holes completed, making it one of the largest exploration projects in Africa.

War Springs comprises 2,396 hectares covering approximately 7 kilometres of the trend. The northern limb of the Bushveld Complex has seen a dramatic increase in exploration activity and interest over the past year since recognition of the potential for bulk minable nickel, copper, platinum and palladium by open pit methods along the trend of the Platreef Contact.

PTM recently acquired high resolution airborne magnetic survey data over the War Springs and surrounding area. This data is now being interpreted and processed and is expected to provide clear images of the target Platreef Contact and other possible targets on PTM's property.

Subject to the participation of black empowerment partners for a 30% interest in the project, PTM may acquire 100% of the mineral rights at War Springs under terms announced June 3, 2002. PTM has the option to purchase the rights at any time over three years from the grant of a prospecting permit. If exercised at the end of the three year period, PTM can buy out the private rights holders for US\$1,653,000 subject to a 1% Net Smelter Return Royalty. PTM may purchase the NSR for US\$1,400,000.

Under terms announced September 23, 2003 PTM settled a legal dispute regarding the War Springs property. According to the settlement, black empowerment companies Africa Wide Mining and Taung Minerals Pty Ltd. each received a 15% project interest carried until the completion of a bankable feasibility study, after which time each partner must participate pro-rata to their working interest in the project. This 30% participation by black empowerment groups exceeds the ten year target objective of the Government of South Africa.



## **ABOUT PTM**

PTM is based in Vancouver BC, Canada and has active exploration programs in Canada and South Africa. The Company was founded in 2000 with the vision of tight physical markets for platinum group elements and the corresponding anticipated increase the value of platinum mineral rights and resources by 2005. The Company is distinctive as a result of its focus on platinum and palladium and its property portfolio in both Canada and South Africa.

PTM holds significant mineral rights in the northern and western limbs of the Bushveld Intrusive Complex in South Africa and is planning to continue its acquisition of mineral rights in South Africa. The Bushveld Complex is the source of most of the world's platinum.

PTM owns an option to earn a 62% interest in the Lakemount property located near Wawa, Ontario where recent drill results have confirmed a large scale nickel, copper, platinum and palladium mineralized zone. The Company is also the largest mineral rights holders in the area surrounding Canada's only primary platinum and palladium mine near Thunder Bay, Ontario and PTM has a separate active joint venture, Agnew Lake with Anglo Platinum, the world's largest producer of platinum, near Sudbury, Ontario, Canada.

### **On behalf of the Board of**

Platinum Group Metals Ltd.

*"R. Michael Jones"*

President, Director

- 30 -

For further information contact:

John Foulkes, Manager Corporate  
Development

Platinum Group Metals Ltd.,  
Vancouver

Tel: (604) 899-5450 / Toll Free: (866)  
899-5450

R. Michael Jones, President

Platinum Group Metals Ltd., Vancouver

Tel: (604) 899-5450 / Toll Free: (866) 899-5450

*The TSX Venture Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this news release, which has been prepared by management.*

**Note to U.S. Investors:** Investors are urged to consider closely the disclosure in our Form 20F, File No. 0-30306, available at our office: Suite 800

- 409 Granville Street, Vancouver BC, Canada, V6C 1T2 or from the SEC: 1(800) SEC-0330.

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## **FORM 53-901F**

### **MATERIAL CHANGE REPORT**

**UNDER SECTION 85(1) OF THE SECURITIES ACT (BRITISH COLUMBIA)**

**AND SECTION 118(1) OF THE SECURITIES ACT (ALBERTA)**

#### **ITEM 1. REPORTING ISSUER**

PLATINUM GROUP METALS LTD.  
800 - 409 Granville Street  
Vancouver BC, V6C 1T2  
Telephone: (604) 899 -5450  
Facsimile: (604) 484 -4710

#### **ITEM 2. DATE OF MATERIAL CHANGE**

February 17, 2004 **ITEM 3. PRESS RELEASE** The Issuer issued a press release at Vancouver BC dated February 17, 2004 to the TSX Venture Exchange and through various other approved public media. **ITEM**

#### **4. SUMMARY OF MATERIAL CHANGE**

Platinum Group Metals Ltd. ("PTM") provides an update on its three active large scale Canadian exploration projects.

**ITEM 5.FULL DESCRIPTION OF MATERIAL CHANGE** See the news release dated February 17, 2004. **ITEM 6.RELIANCE ON SECTION 85(2) OF THE ACT (BRITISH COLUMBIA) AND SECTION 118(2) OF THE ACT (ALBERTA) N/A** **ITEM 7.OMITTED INFORMATION** N/A

**ITEM 8.Senior Officers**

The following senior officer of the Issuer is knowledgeable about the material change and may be contacted by the Commission at the following telephone number:

R. Michael Jones, President & CEO

Phone: (604) 899-5450

**ITEM 9.STATEMENT OF SENIOR OFFICER**

The foregoing accurately discloses the material change referred to herein. Dated at Vancouver, British Columbia this 1 8th day of February, 2004.

**Platinum Group Metals Ltd.**

**"R. Michael Jones"**

R. Michael Jones,  
President & CEO

## **2004 DRILLING PROGRAM COMMENCES AT AGNEW LAKE**

### **CANADIAN EXPLORATION UPDATE**

**Platinum Group Metals Ltd. (PTM:TSXV)** provides the following update on its three active large-scale Canadian exploration projects, all of which are at the drilling stage:

#### **Agnew Lake Project, Sudbury, Ontario**

PTM has been notified by joint venture partner and project operator Pacific Northwest Capital Corp. (PFN:TSXV) that a 2004 diamond drilling program has commenced on the Company's Agnew Lake Pt-Pd-Au Property near Sudbury, Ontario. A minimum of five diamond drill holes will be completed targeting two EM conductors originally identified by an airborne geophysical survey of the property completed in 2003. Partner Anglo American Platinum Corporation Limited, the world's largest platinum producer, is providing funding for the 2004 exploration program at Agnew Lake.

Ground geophysical surveys completed in December 2003 and January 2004 defined targets for drilling at or near the contact between the Agnew Lake Intrusion, a member of the River Valley Intrusive Suite, and enclosing sedimentary lithologies. Initial follow-up prospecting by PTM identified a sulphide-bearing quartz vein system in close proximity (140 metres west) to the stronger of the two EM conductors. Previously released (December 15, 2003) grab sample results from a narrow, strongly oxidized portion of the vein system ( V Showing ) returned gold values ranging from 156 parts per billion (ppb) to 76.2 grams per tonne (2.45 ounces per tonne) and 0.7 to 206 grams per tonne (6.62 ounces per tonne) silver. Initial drill testing of the two geophysical anomalies is expected to be completed by the end of February.

#### **Lakemount Project, Wawa, Ontario**

PTM has contracted a detailed helicopter borne time domain conductivity and magnetic geophysical survey to be conducted over the Lakemount property. The survey will be completed within the next four weeks. The system is the latest in geophysical technology and is capable of profiling conductivity to depths of 300 to 400 metres. The survey will cover the 800 metre long Sunrise Ni-Cu-PGE Zone with 50 metre spaced lines as well as the balance of the entire 2 kilometre long Sunrise Ultramafic Intrusion with 100 meter spaced lines. It is anticipated this detailed data will outline the various separate mineralized horizons comprising the Sunrise Zone, both along strike and to depth. When combined with three-dimensional modelling of the previous 146 holes (23,000 metres) and 8 holes recently completed

by PTM, the new survey data should assist with the identification and location of thicker, higher grade sections within the mineralized horizons.

The survey will also cover four additional known ultramafic intrusions occurring on the property. These four untested intrusions are similar to the Sunrise Ultramafic Intrusion and are therefore potential hosts for mineralization.

The next phase of drilling on the property is anticipated to commence in the 1<sup>st</sup> quarter of 2004.

### **Lac des Iles Project, Thunder Bay, Ontario**

PTM completed a 3,040 metre diamond drill program targeting extensions of the Powder Hill, Stinger and Shelby Contact PGE Zones on its Lac des Iles project during the fourth quarter of 2003. Results of the winter 2003 drill program continue to demonstrate the extensive nature of the PGE mineralized system hosted by the Towle Lake Intrusion on the Company's Lac des Iles River, Shelby Lake and South Legris Properties.

Four drill holes (ST03-13 to ST03-16) targeted down-dip and along strike projections of the high-grade core of the Stinger Zone. Drill hole ST03-14 intersected a broad zone of PGE mineralization ( 17.8 metres grading 0.87 g/T Pt+Pd+Au), which included a higher grade upper section (1.81 g/T Pt+Pd+Au over 5.2 metres and 2.85 g/T Pt+Pd+Au over 1.85 metres). The higher grade portion of the intercept correlates with similar high grade intercepts from previous drilling and extends the Stinger Zone 50 metres to the northeast.

The Stinger Zone stratigraphy was also intersected at a depth of 392.0 metres (265 metres vertical) in hole ST03-13 which returned 7.1 metres grading 0.51 g/T Pt+Pd+Au. Only minor PGE mineralization was detected in holes ST03-15 and ST03-16 which were drilled 50 metres northeast and 45 metres down-dip, respectively from hole ST02-05 which had returned 6.5 metres grading 1.28 g/T Pt+Pd+Au. Comparison to the previous intercepts suggests that the Stinger Zone stratigraphy appears to be erratically mineralized and block faulted in this area.

Regional stratigraphic drilling between the Powder Hill and Stinger Zones within the Towle Lake Intrusion was successful in identifying the Stinger Zone stratigraphy in Hole TL03-06, 1.4 kilometres southwest of Hole ST03-14 discussed above; effectively extending the Stinger Zone an additional 700 metres further southwest. Hole TL03-06 returned 3.4 metres grading 0.75 g/T Pt+Pd+Au.

Three widely spaced holes tested the northwest strike extension of the Powder Hill PGE Zone which returned a value of 2.83 g/T Pt+Pd+Au over 1.2 metres from previous drilling. Holes PH03-13, PH03-14 and TL03-01 represent step outs of 400, 1000 and 1800 metres respectively from previous drilling in the Powder Hill area and each were successful in intersecting the Powder Hill PGE zone. The Powder Hill Zone has now been traced for 2.4 kilometres along strike, is open for an additional 1.2 kilometres to the northwest and for over two kilometres to the southwest. The Zone also remains open at depth having been tested to a maximum vertical depth of only 65 metres.

### **Qualified Person and Quality Control and Assurance**

PTM's Exploration Manager, Mr. Darin Wagner, M.Sc., P.Geo, acted as the qualified person for the Agnew Lake and Lac des Iles projects discussed in this release. Mr. Wagner personally supervised the 2003 Lac des Iles diamond drill program and sample collection. PTM Research and Acquisitions Manager, Mr. Dennis Gorc, P.Geo, acted as the qualified person for the Lakemount project discussed in this release. Mr. Gorc personally supervised the 2003 Lakemount drill program and sample collection. Half diamond drill core samples from the Lac des Iles and Lakemount programs were submitted to ALS-Chemex's preparation facilities in Thunder Bay, Ontario. Samples were analyzed for Au, Pt and Pd by 30g fire assay with an ICP-MS finish and for an additional 27 elements by ICP-MS. PTM employs a rigorous quality control program which includes insertion of blank, duplicate and certified reference

materials in the assay stream once in every 24 or fewer samples. This is in addition to internal quality control measures undertaken by the contracted analytical facilities.

### **About PTM**

Platinum Group Metals Ltd. is based in Vancouver BC, Canada and has active exploration programs in Canada and South Africa. PTM, as the name suggests, is focused on exploration and development of platinum, palladium, and other platinum group element resources.

The Company sees both platinum and palladium as important in its vision and mission. The Company's large portfolio of PGE projects across Canada and South Africa distinguishes the Company from its competitors.

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Regional stratigraphic drilling between the Powder Hill and Stinger Zones within the Towle Lake Intrusion was successful in identifying the Stinger Zone stratigraphy in Hole TL03-06, 1.4 kilometres southwest of Hole ST03-14 discussed above; effectively extending the Stinger Zone an additional 700 metres further southwest. Hole TL03-06 returned 3.4 metres grading 0.75 g/T Pt+Pd+Au.

Three widely spaced holes tested the northwest strike extension of the Powder Hill PGE Zone which returned a value of 2.83 g/T Pt+Pd+Au over 1.2 metres from previous drilling. Holes PH03-13, PH03-14 and TL03-01 represent step outs of 400, 1000 and 1800 metres respectively from previous drilling in the Powder Hill area and each were successful in

intersecting the Powder Hill PGE zone. The Powder Hill Zone has now been traced for 2.4 kilometres along strike, is open for an additional 1.2 kilometres to the northwest and for over two kilometres to the southwest. The Zone also remains open at depth having been tested to a maximum vertical depth of only 65 metres.

### **Qualified Person and Quality Control and Assurance**

PTM's Exploration Manager, Mr. Darin Wagner, M.Sc., P.Geo, acted as the qualified person for the Agnew Lake and Lac des Iles projects discussed in this release. Mr. Wagner personally supervised the 2003 Lac des Iles diamond drill program and sample collection. PTM Research and Acquisitions Manager, Mr. Dennis Gorc, P.Geo, acted as the qualified person for the Lakemount project discussed in this release. Mr. Gorc personally supervised the 2003 Lakemount drill program and sample collection. Half diamond drill core samples from the Lac des Iles and Lakemount programs were submitted to ALS-Chemex's preparation facilities in Thunder Bay, Ontario. Samples were analyzed for Au, Pt and Pd by 30g fire assay with an ICP-MS finish and for an additional 27 elements by ICP-MS. PTM employs a rigorous quality control program which includes insertion of blank, duplicate and certified reference materials in the assay stream once in every 24 or fewer samples. This is in addition to internal quality control measures undertaken by the contracted analytical facilities.

### **About PTM**

Platinum Group Metals Ltd. is based in Vancouver BC, Canada and has active exploration programs in Canada and South Africa. PTM, as the name suggests, is focused on exploration and development of platinum, palladium, and other platinum group element resources. The Company sees both platinum and palladium as important in its vision and mission. The Company's large portfolio of PGE projects across Canada and South Africa distinguishes the Company from its competitors.

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PTM holds significant mineral rights on the Northern and Western Limbs of the Bushveld Complex in South Africa and is continuing to acquire additional mineral rights in the world's premier platinum producing district. PTM is currently awaiting assay results from its Tweespalk Platinum Project on the Northern Limb of the Bushveld Complex. PTM was recently granted an exploration permit for its War Springs Platinum Project on the Northern Limb and phase one exploration programs are now being planned and initiated.

PTM continues to be the largest mineral rights holder in the area surrounding Canada's only primary platinum and palladium mine near Thunder Bay, Ontario. The Company has also recently announced the successful completion of a Phase 1 drilling program on the Lakemount Ni-Cu-PGE Property near Wawa, Ontario.

On behalf of the Board of  
Platinum Group Metals Ltd.

***R. Michael Jones***

R. Michael Jones

President, Director

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For further information on Platinum Group Metals visit our website [www.platinumgroupmetals.net](http://www.platinumgroupmetals.net) or contact:

R. Michael Jones, President (604)  
899-5450

Larry Roth (732) 792-2200

Roth Investor Relations

Platinum Group Metals Ltd.

*The TSX Venture Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this news release, which has been prepared by management.*

***Note to U.S. Investors:*** *Investors are urged to consider closely the disclosure in our Form 20F, File No. 0-30306, available at our office: Suite 800*

- 409 Granville Street, Vancouver BC, Canada, V6C 1T2 or from the SEC: 1(800) SEC-0330.