

Due Diligence and Valuation Report

Arrowhead Code:	23-01-01
Coverage initiated:	15 March 2010
This document:	28 May 2010
Fair share value bracket:	AUS\$0.52 to AUS\$3.43
Share price on date:	AUS\$0.255 ⁱ

Analysts

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Market Data

52-Week Range:	AUS\$0.19 – AUS\$0.45 ⁱⁱ
Average Daily Volume:	76,025 ⁱⁱⁱ
Market Cap. on date:	AUS\$21.803MM

Financial Forecast Data (in AUS\$)

	'09E	'10E	'11E	'12E	'13E	'14E	'15E
High profit/(loss) MM	(4.83)	(7.42)	(3.98)	(3.32)	(3.75)	100.8	94.43
High EPS cents	(5.65)	(8.68)	(4.65)	(3.88)	(4.38)	117.9	110.5
Low profit/(loss) MM	(4.83)	(7.42)	(3.98)	(3.32)	(3.75)	27.77	21.17
Low EPS cents	(5.65)	(8.68)	(4.65)	(3.88)	(4.38)	32.48	24.76

Fiscal Year (FY)

1st July – 30th June

Summary

Platina Resources is an Australian-domiciled platinum group metals (PGM) exploration company with a portfolio of assets in Greenland and Western Australia and New South Wales, Australia.



Company:	PLATINA RESOURCES, LTD.
Ticker:	ASX: PGM
Headquarters:	Varsity Lakes, QLD, Australia
Chief Executive Officer:	Mr. Robert W. Mosig Managing Director
Website:	www.platinaresources.com.au

Platina Resources has no assets in production as of 28th May, 2010, but possesses bright prospect indicators and a current total JORC resource of ~10MMoz of gold, ~30MMoz of palladium and ~2MMoz of platinum on the Skaergaard PGM and Gold Project in eastern Greenland.

The deposit at Skaergaard is a very large PGM deposit which compares with the world's large producing projects. A current 6,000m drilling program will help determine the zone of core mineralization and upgrade the 43101 and JORC resource estimate in S2-2010.

The company's target product, platinum group metals and gold, have good marketability data^{iv}, with a gold price foreseeable to remain in the long run in the current range to no more than 25% lower and a recovering demand for PGMs as world automotive production recovers on the back of an already high current spot price.

Given due diligence and valuation estimations based on intrinsic revenue capacity of existing assets, Arrowhead believes that Platina Resources' fair share value lies in the AUS \$0.52 to AUS \$3.43 bracket.^v This valuation is based solely on the Skaergaard Project. This is a conservative estimate. The current valuation does not take account of the potential of the company's other current and future assets, excluding for instance the Munni Munni project, and other assets Platina could acquire and put into production through 2018.

Company Presentation

Platina Resources Limited is completely focused on the exploration and development of platinum group metal (PGM) deposits throughout the world, particularly in Greenland and Australia. Platina has been listed on the ASX since May 2006. Based in Queensland, Australia, Platina comprises a small and highly skilled team of experienced geologists and back-up technical personnel.

Platina's primary assets are the 100%-owned Skaergaard Gold and PGM Project in Greenland, which currently has a JORC and NI 43-101 Inferred Resource for 10.3MMoz of contained gold, 29.8MMoz of contained palladium and 1.95MMoz of contained platinum; and the Munni Munni project in Western Australia's Pilbara region.

Platina Resources' asset portfolio includes

- Interest in two key gold and PGM assets in the advanced exploration phase in Greenland and in Western Australia:
 - o **100% of the Skaergaard Gold and PGM Project in Greenland** (no production royalties), with a **NI 43-101 Inferred** Resource for **10.3MMoz of gold, 29.8MMoz of palladium and 1.95MMoz of platinum**, expected to produce between 90,000oz and 110,000oz of combined PGM and gold per year, beginning S2-2014.
 - o **100% of the Munni Munni Project in the Pilbara basin in Western Australia** (no production royalties), with a JORC Measured, Indicated and Inferred Resource for **24MMT of graded ore @2.9g/T Au+Pd+Pt+Rh**.
- Interest in an exploration portfolio of PGM assets in New South Wales, in Western Australia and in Greenland:
 - o **100% of the Owendale Gold and PGM Project** in the Fifield area, New South Wales.
 - o **100% of the Kap Edvard Holm Gold and PGM Project** in Greenland.
 - o **100% of the Miki Fjord Dyke Precious and Base Metal Project** in Greenland.
 - o **the Mt Venn Project** Western Australia, recently joint-ventured to GNI.

Platina Resources portfolio and company premiums

- The Skaergaard asset has a very large 43101 resource of 10.3MMoz gold, 29.8MMoz of palladium and 1.95MMoz of platinum. Platina plans to drill in 2010 to add to the resource and determine a zone of mineralization. This significant resource is a sound asset upon which to finance and build the company.
- The Munni Munni asset has a promising JORC resource of 24MMT of graded ore @2.9g/T Au+Pd+Pt+Rh, over 50% of which consists of measured resources and over 90% of which consist of measured and indicated resources. This significant secondary resource is a good asset upon which to complement financing the company as Skaregaard is moved forward.
- Platina Resources is focused at present on assets in Western Australia and Greenland, which are politically stable mining jurisdictions, with a considerably developed mining engineering and services sector in the case of the Pilbara Basin in Western Australia.
- Platina Resources plans to concentrate its capital resources on developing the most promising asset at Skaergaard and secondarily at Munni Munni.
- Platina Resources has strong and complementary management and governance, forming an all-around team for regulatory, financial and technical operations in Australia and regulatory and operations in Greenland.
- Arrowhead BID feels there is significant opportunity for price stability, to growth, in gold and PGMs through the next 10 years, given foreseeable supply and demand factors. There are indications of a good future in terms of marketability and demand. For details on gold and PGM supply and demand and price trends see *Technologies and Markets* below.

Platina Resources portfolio and company risks

- Platina Resources' forecast revenue and operating margins are dependent upon the prices of gold and PGMs.
- Platina Resources' portfolio is concentrated in the exploration and development phase, with no substantial revenue from production forecast until FY 2014; this produces to some extent a corporate and project financial risk for FY 2009 through FY 2013.
- Platina Resources' stated capital expenditure (the feasibility and ultimate cost of the capital expenditure agenda) will have to be confirmed in the future with any given market conditions for financing.

Platina Resources corporate strategy

- Focus on drilling and defining a higher-grade zone of deposit at Skaregaard. Upgrade the JORC and 43101 estimate. Develop metallurgical studies for advancement of PFS.
- Deliver PFS on Skaergaard in late 2011, move to the DFS in 2012.
- Develop Munni Munni as a secondary project.

Key trends for gold

Key drivers of gold demand: The market for hedging against inflation is the main driver of the gold market. Gold demand increases as inflation rises and as equity and credit lose value. Hence the demand for gold tends to increase in difficult economic times. Jewelry is a secondary driver for gold.

Gold market evolution: Gold prices have reached record highs in the US\$1,100 range as of Q3 2010, with a peak at US\$1,200/oz in Q4 2009. This occurred as equity markets failed to recover completely and quickly from the global financial crisis in 2009, and as countries and U.S. States increased their deficits to provide stimulus to faltering economic growth and job creation. As of March 2003, the climate of recovery brought gold back in the US\$1,100/oz range, and gold will be expected to stabilize in the current range in the medium-term, though the Greek crisis of April-May 2010 was an instability factor that propped gold up for the end of the first semester 2010.

Key trends for PGMs

Key drivers of PGM demand: The jewelry market is the main driver for the PGM market, especially platinum. Use in the automotive industry is the second main market driver. The jewelry market should see a recovery in 2010-11 as the general economy recovers and higher-bracket earners recover net wealth and purchasing power through bonuses and real estate and securities portfolio appreciation. The automotive industry was starting a slow recovery as of Q1 2010, with GM for instance announcing on May 17th, 2010 its first quarterly net profit since 2007, posting net income of US\$865MM, driven by cost cutting measures, new model launches and steady consumer demand^{vi}. PGM prices were recovering to reflect this as of S1-2010.

PGM market evolution: Platinum prices reached record highs in the US\$2,000 range during the winter of 2007-08, with a peak in the US\$2,200/oz range in Q4-2007 and again in Q2-2008. The burst of the commodities bubble during the summer of 2008 brought platinum prices down as low as the US\$800/oz range in late 2008. Since early 2009, PGM prices have been consistently recovering. PGMs will be expected to stabilize in the current range in the medium-term, though the Greek crisis of April-May 2010 was an instability factor that hurt PGM prices for the end of S1-2010 and mitigated their full recovery to pre-recession levels. On 27th May 2010, platinum was US\$1,563/oz and palladium was US\$461/oz.

For details, see *Technologies and Markets* section on pages 5-6 of the report.

Key variables which enter into Platina Resources revenue estimations

- **Variable 1** – Forecast price of platinum for 2010-2018: US\$1,350/oz to US\$1,600/oz in 2010, CAGR of 0.3% through 2011-2018.
- **Variable 2** – Forecast price of palladium for 2010-2018: US\$350/oz to US\$525/oz in 2010, CAGR of 0.3% through 2011-2018.

- **Variable 3** – Forecast price of gold for 2010-2018: US\$950/oz to US\$1,150/oz in 2010, CAGR of 0.3% through 2011-2018.
- **Variable 4** – Hypothesis for annual production at Skaergaard 2014-2018: 0.75MMT to 0.85MMT graded ore (@4.5g/T Au) or 90,000oz to 110,000oz of combined gold and PGMs from S2-2014 onwards.
- **Variable 5** – Hypothesis for cost of production at Skaergaard 2014-2018: AUS\$60/T to AUS\$85/T of graded ore.
- **Variable 6** – US\$ / AUS\$ exchange rate: 1.00 to 1.40.

News

- **Owendale PGM Project –drilling program committed:** on 27th May, 2010, Platina Resources advised that it had committed to a diamond drilling program to test a significant new geophysical target identified at its Owendale PGM Project in New South Wales. The target was identified from a recently completed Controlled Source Audio - Magneto - Telluric (CSAMT) conducted over the Owendale tenement (EL6228). The CSAMT survey, which was carried out under the direction of Southern Geoscience Consultants of Perth, focused on a 4.5km² area enclosing the Owendale North locality, where previous diamond drilling in 1987 identified strongly anomalous PGMs and copper in three diamond drill holes. The CSAMT survey appears to have identified the PGM and native copper intersections encountered by the historical 1987 drilling, although it now confirms that this earlier drilling missed the main portion of a significant geophysical conducting body. This new geophysical target will be the focus of a 2,000m diamond drilling campaign which is planned to commence at Owendale within the next two months.
- **Munni Munni PGM and Gold Project – drilling program in preparation:** on 17th May, 2010, Platina Resources advised that it is preparing a diamond drilling program at Munni Munni. The drilling program should begin before the end of July and is aimed at intersecting specific parts of Munni Munni's Ferguson Reef for metallurgical testing. Recent analysis by AMC Consultants and AMEC Minproc has concluded that there is potential for a component of the Ferguson Reef to be higher-grade than that reported in the Project's current Measured, Indicated and Inferred resource of PGMs and gold. Currently, the Ferguson Reef is sub-divided into two reef types. The Coincident Reef has elevated levels of gold, copper and nickel relative to the Offset Reef, whilst maintaining platinum, palladium and rhodium grades consistent with those in the current resource. The high-grade reef component is the focus of these drilling activities. AMC are now in the process of carrying out a new estimation for the resource which should be completed by July 2010. The results of the drilling will form part of an overall revised economic assessment at Munni Munni that is being conducted by AMC and AMEC Minproc of Brisbane. Further details concerning the drilling program at Munni Munni, including completion times for new project economic studies and metallurgical testing, are expected in mid to late June. Platina expects a full feasibility study to commence later in 2010.
- **Mineral Properties – Quarterly report on Operations:** on 23rd April, 2010, Platina Resources released a quarterly Report on Operations for Q1-2010. The highlights were the announcement of the 2010 drilling program for flagship Skaergaard Project currently; over 6,000m to commence mid-July. Platina advised that three diamond drill rigs have been prepared for dispatch to Skaergaard. It is expected that two drill rigs will be operating 24hours with the third rig providing spare parts when required. This year's drilling program is based on a nominal 500m by 500m grid; the main purpose of this drilling pattern is to verify large scale grade continuity predominantly within and around the nominal 3g/t gold higher grade contour area as interpreted from the existing Skaergaard drilling data. Some infill drilling to 250m is planned to verify shorter scale grade continuity, and test geological and structural issues to increase confidence in the modeling of the gold mineralization.
Other highlights of the quarter included
 - Increasing Palladium price and demand expected to assist Munni Munni Review [currently in progress].
 - Electromagnetic survey in progress at Munni Munni [completed since].
 - Fifield magnetic survey on track for end April [completed since].
 - Mt Venn Project joint ventured to Global Nickel Investments (GNI).
 - Successful completion of a Rights Issue raises over \$7.3MM.

Major Shareholders

As of January 28th, 2010, the top ten shareholders were:

Panther Palladium LLC	20.00%	Gee Vee Pty. Ltd. (GJ Wheeler Family A/C)	2.90%
Cairnglen Investments Pty. Ltd.	12.49%	ANZ Nominees Ltd. (Cash Income A/C)	2.43%
Yandal Investments Pty. Ltd.	9.77%	Colter Holdings Pty. Ltd. (Super Fund A/C)	1.57%
Citicorp Nominees Pty. Ltd.	5.04%	Indium Investments Pty. Ltd.	1.42%
Colter Holdings Pty. Ltd.	4.02%	Technica Pty. Ltd.	1.23%

Listing information

Platina Resources listed its equity on the Australian Stock Exchange, ASX, as ticker PGM on June 2nd, 2006.

Contacts

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Technologies and Markets

Market trends: platinum group metals geology and markets^{vii}

Platinum Group Metals description and geology

Platinum group metals refer to six metallic elements clustered together in the periodic table. The elements are ruthenium, rhodium, palladium, osmium, iridium, and platinum. They have similar physical and chemical properties, and tend to occur together in the same mineral deposits. Their unique chemical and physical qualities make them vital industrial materials for certain key applications and prime materials for jewelry production.

Platinum Group Metals sources and production

Platinum is among the world's scarcest metals, with new mine production totaling only about 5MMoz a year compared to about 80MMoz for gold and about 550MMoz for silver. World mineral resources of PGMs in concentrations that can be economically mined are estimated to total over 100MMkg. Platinum occurs as a native alloy in placer deposits or, more commonly, in lode deposits associated with nickel and copper.

About eight tons of raw ore must be mined to produce just one pure ounce of platinum, and it takes 6-9 months to go from extraction to processing.

Supplies of platinum are concentrated in South Africa, which accounts for approximately 80% of world production. The largest reserves are in the Bushveld Complex in South Africa. Russia accounts for 11%; and North America accounts for 6%. Unlike gold and silver, there are no large above-ground stocks of platinum to fill the gap against significant supply disruptions (in fact, less than a year's supply in reserves). With labor unrest/strikes and shortages of electrical power in South Africa interrupting mining output and with uncertainties about the flow of supplies from Russia, platinum remains vulnerable to sudden supply and price shifts.

Platinum Group Metals uses

PGMs are considered "precious metals", yet on a relative volume of the amount mined on an annual basis, platinum has more industrial uses than gold and silver combined. Platinum and palladium are the most widely used of the six platinum group metals. The PGMs are especially valued for catalytic functions, conductivity, and resistance to corrosion. Platinum for instance is virtually impervious to corrosion, has a melting point in alloy of 3,215° Fahrenheit, is a powerful catalyzing agent and is highly conductive. PGMs are essential in key manufacturing processes in the automobile, chemical, petroleum refining, pharmaceutical, and electronics industries, and demand for PGMs in high-technology applications is soaring.

Jewelry: The largest driver of demand for platinum is jewelry manufacturing, accounting for a little more than half of annual platinum consumption. Japan itself accounts for about a half of the platinum demand for jewelry.

Automotive Industry and Petroleum Industry: Automotive catalytic converters consume about 30% of the platinum supply and chemical and petroleum refining catalysts, 13%. The computer industry and other high-tech electronic applications account for about 7% of consumption because platinum is an excellent conductor of electricity, does not corrode, and has a low reactivity with other metals.

Other uses: Gasoline, hard disk drives, anti-cancer drugs, fiber-optic cables, LCD displays, eyeglasses, fertilizers, explosives, paints and pacemakers all rely on platinum. Platinum is also the key catalyst used in fuel cells. It has been estimated that 20% of all goods manufactured today either contain platinum or is produced using equipment containing platinum.

Platinum market driver: dependent on US economy, dependent on automobile industry^{viiiix}

Platinum prices are sensitive to shifts in the Japanese and U.S. economy and increasingly in the Chinese economy. Seasonally, platinum prices tend to increase during the first quarter of the year as industrial

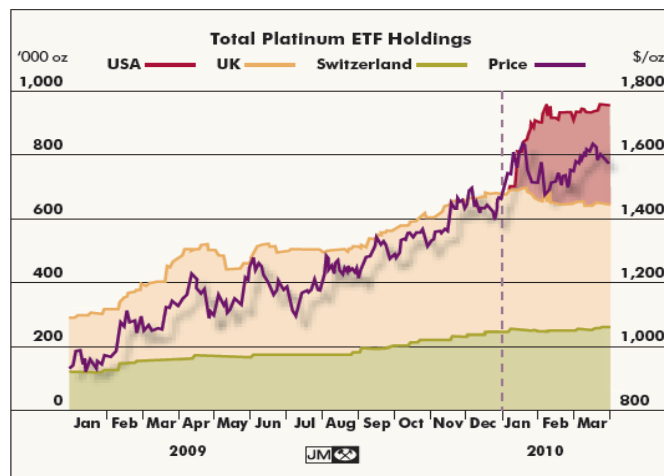
production tends to be strong during February and March. Platinum prices typically decline during the summer as industrial production slows and easier transportation makes supply more readily available. Prices also tend to weaken in August and September as the biggest rush of auto production, the leading industrial consumer of platinum, is completed for the new model year.

The platinum market was in surplus by 285,000 oz in 2009. Gross demand fell by 11.9% to 7.04MMoz. Platinum recovery from scrapped auto catalyts, electronics and jewelry decreased by 23.2% to 1.41MMoz. Net demand for platinum fell by 8.5% to 5.64MMoz. Supplies of platinum from current mining operations fell by 0.3% to 5.92MMoz.

Worldwide demand for PGMs is expected to grow moderately owing to the strong demand for responses to pollutants and especially automotive pollutants. PGMs are not practically replaceable in their use as catalytic converters to control emissions from gasoline-powered vehicles. The large price differential between platinum and palladium is likely to encourage manufacturers to change PGMs ratios in gasoline-engine vehicles in favor of palladium, as well as continue efforts to increase the proportion of palladium used in diesel vehicles. In the short term, palladium is likely to remain the dominant catalytic metal owing primarily to the need to use up to three times as much palladium to obtain the desired emissions reduction.

The sales of platinum jewelry are expected to increase in some regions, including in China. In 2009, when most other drivers of the platinum market were in the red, platinum use in China drove purchases of platinum by the jewelry industry to grow by 46.1% to 3.01MMoz in 2009. Weak economic conditions limited demand within Europe, Japan and North America but a booming domestic economy and a fall in the price of platinum boosted Chinese demand to a record 2.08MMoz. Net global demand rose by 79.1% to 2.45MMoz.

Investor interest in PGM-based exchange-traded notes and funds (ETFs) is expected to continue to rise, as it has in the past 18 months, adding some liquidity to the market and sector.



Market trends: gold geology and markets^{xi}

Gold chemistry and properties

Gold is a chemical element with the symbol Au and atomic number 79. Gold is dense, soft, shiny and the most malleable and ductile pure metal known. Pure gold has a bright yellow color and luster traditionally considered attractive, which it maintains without oxidizing in air or water.

Gold is a transition metal and can form trivalent and univalent cations in solutions. Compared with other metals, pure gold is chemically least reactive, but it is attacked by aqua regia (a mixture of acids), forming chloroauric acid, but not by the individual acids, and by alkaline solutions of cyanide. Gold dissolves in mercury, forming amalgam alloys, but does not react with it. Gold is insoluble in nitric acid, which dissolves silver and base metals. This property is exploited in the gold refining technique known as "inquartation and parting". Nitric acid has long been used to confirm the presence of gold in items, and this is the origin of the colloquial term "acid test", referring to a gold standard test for genuine value.



Gold sources and production

The metal occurs as nuggets or grains in rocks, in veins and in alluvial deposits.

A total of 161,000T of gold have been mined in human history, as of 2009.^{xii} This is roughly equivalent to 5.175B troy ounces or, in terms of volume, about 8,333m³, and would be valued at just under US\$6T at early March 2010 prices.

Gold uses

Gold has been a highly sought-after precious metal for coinage, jewelry, and other arts since the beginning of recorded history, in great part because of its good resistance to oxidative corrosion, which makes it quasi-inalterable over time, even left out in the earth's atmosphere, unlike most other metals. Thanks to its notoriety as a precious metal, its rarity, its cost and its beauty, gold also has been linked throughout history to a variety of symbolisms and ideologies and displays of grandeur and power. This has substantially increased its desirability to individuals and states and has placed a premium on its price.

Value conservation and transmission: from coinage to Central Bank reserves: Gold has been one of the main coinage metals throughout history and has always served as a symbol of wealth and a store of value. Gold standards have provided a basis for monetary policies and modern central bank complement the assets of the country whose currencies they govern and other currency reserves with gold reserves as hard collateral for a minimal value preservation of these currencies. Private investors may also hedge their portfolio with gold during distressed times in equity, debt and cash markets. As all large international commodities markets, there is a large element of speculation which also underlies and animates the gold-as-an-investment market.

Jewelry: Gold's main use today is in ornamental products and especially jewelry. Gold is used because of its ostensible value and beauty and because of its ductility which enables complex sculpting and craftsmanship. In jewelry gold is used in different grade alloys. Because of the softness of pure 24k^{xiii} gold, it is usually alloyed with base metals for use in jewelry, altering its hardness and ductility, its melting point, its color and other properties. Alloys with lower gold purity, typically 22k, 18k, 14k or 10k, contain percentages of copper, other base metals, silver or palladium.

Red gold – Copper is the most commonly used base metal, yielding a red tint.

Rose gold – 18k gold containing 25% copper is found in antique and Slavic jewelry and has a distinct though not dominant copper cast, creating rose gold.

Yellow gold – 14k gold-copper alloy is nearly identical in color to certain bronze alloys, and both may be used to produce badges.

Blue gold – can be made by alloying with iron. Blue gold is brittle and thus difficult to work with in jewelry.

Purple gold – can be made by alloying with aluminum, although rarely done except in specialized jewelry.

Green gold – 14k and 18k gold-silver alloys appear greenish-yellow and are referred to as green gold.

White gold – can be made with palladium or nickel, which is toxic and controlled by legislation in some places such as Europe.

Industrial Uses: Gold has many modern industrial uses including dentistry and electronics, because of its good resistance to oxidative corrosion and excellent quality as a conductor of electricity.

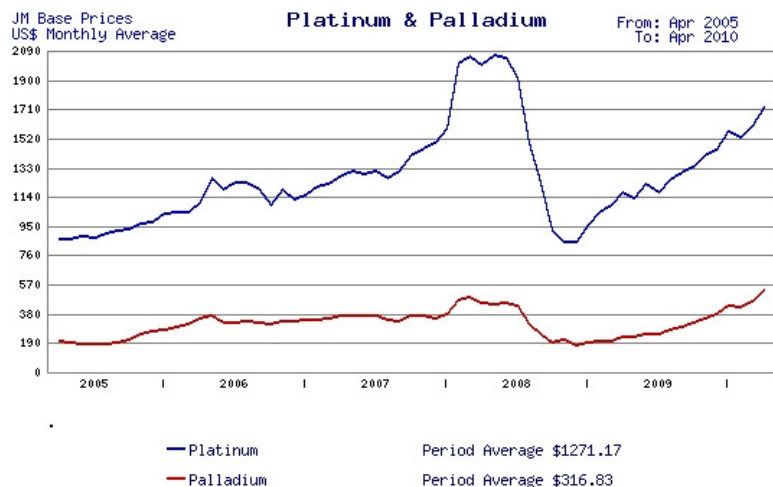
Gold market driver: hedging still strong, jewelry growing in emerging markets

The demand for gold is mainly driven by the need for preservation of value. The main indirect driver for gold is thus the state of the economy. When inflation is high, investors find refuge in gold to preserve their principal. When equity and debt markets are depressed, gold is also sought as a refuge for depreciating assets. The current economic climate, despite burgeoning recovery, is propitious to gold gaining value because of the overall climate of uncertainty (fears of the financial system collapsing once more on the back of the Greek crisis were rampant as of April-May 2010).

Gold is recognized as the leading precious metal for jewelry in almost all cultures. The demand for gold for jewelry in a given country is sensitive broadly to the standard of living of households in that country. As the middle classes in emerging economies of the world see revenue growth, gold jewelry sales increase in these markets. This has been the case in countries such as China, the rest of East Asia and India, adding to considerable existing demand from the United States and the rest of the Western world.

Market trends: platinum group metals prices

Historical prices of Platinum and Palladium^{xiv}



The average price of platinum over 2005-2010 was ~US\$1,270/oz and the average price of palladium was ~\$315US\$/oz. The demand for both has structurally increased over the period and the

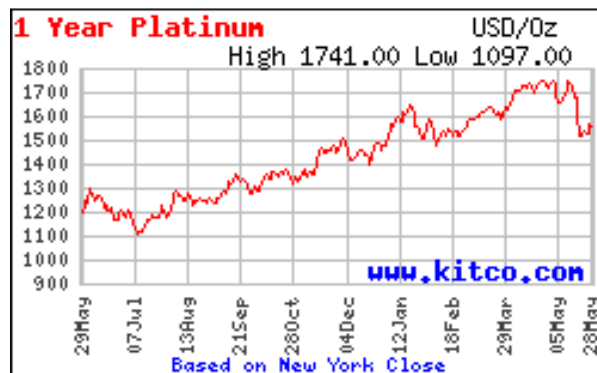
Given the current general climate of recovery, platinum group metal prices should be expected to stabilize in their current range in the mid-term.

The recovery of the automobile industry in particular, beginning in S1-2010 and through 2011, and the recovery of jewelry markets worldwide and specifically continued growth of Chinese demand for platinum jewelry should drive demand for PGMs.

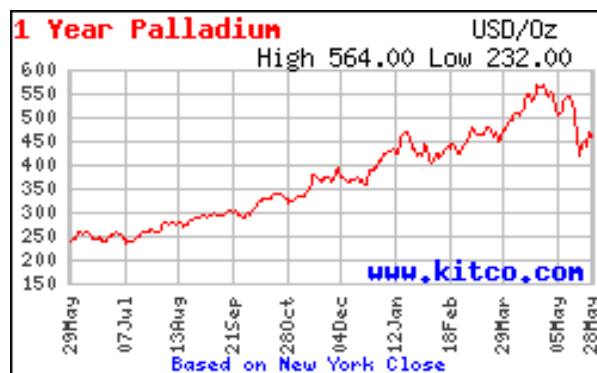
Market trends: gold prices

As the global financial crisis led to faltering markets and increased public and state and local debt over 2008-09, gold was more than ever activated as a refuge investment. In Q4 2009 and in Q2 2010, gold hit record high around US\$1,200-1,220/oz. Given the current general climate of recovery, and counterbalancing fears of pendulum inflationary forces, gold prices should be expected to stabilize in their current range in the mid term.

One-year spot price chart for platinum, to 28th May 2010^{xv}



One-year spot price chart for palladium, to 28th May 2010^{xvi}



Key variable analysis

Variable 1 – Forecast price of platinum for 2010-2018

Arrowhead believes that platinum demand should recover with the demand for automobile recovering in the Western world and in Asia, and with demand for platinum jewelry in China, Japan and the United States. Platinum prices should see upward tensions in case of prolonged labor and power problems in South Africa. On average, platinum prices should remain at current ranges or grow slightly into the decade ahead,

Based on this forecast and on hypothesis for an average of price stability, Arrowhead forecasts that a comfortably low estimate for 2010 prices of gold should be US\$1,350/oz, whereas a prudent high estimate should be US\$1,600/oz. The price should grow through 2011-2018 with a +0.30% CAGR.

Variable 2 – Forecast price of palladium for 2010-2018

Arrowhead believes that palladium demand should rise faster than platinum demand as more palladium is used to compensate for higher platinum prices, and producers tend to focus on the platinum elements of combined deposits or on comparatively platinum-rich deposits over comparatively palladium-rich deposits. Also, as the palladium price rises, so does its desirability and intrinsic susceptibility to be used in jewelry, which should help sustain some price growth.

Based on this forecast and on hypothesis for an average of price stability, Arrowhead forecasts that a comfortably low estimate for 2010 prices of gold should be US\$350/oz, whereas a prudent high estimate should be US\$525/oz. The price should grow through 2011-2018 with a +0.30% CAGR.

Variable 3 – Forecast price of gold for 2010-2018

Arrowhead believes that the forecasted "slow recovery" of the general economy and equity and debt markets in 2010 will leave some room for gold as a value refuge for investors. Still, the general climate should be less dramatic than in 2009, and gold would not be expected to durably reach again or break the US\$1,200 records which were attained at the end of 2009 and in May 2010. Conservatively, gold should settle in the high ends of the last decade's (2000-09) bracket in the medium-term.

Based on this forecast and on hypothesis for an average of price stability, Arrowhead forecasts that a comfortably low estimate for 2010 prices of gold should be US\$950/oz, whereas a prudent high estimate should be US\$1,150/oz. The price should grow through 2011-2018 with a +0.30% CAGR.

Variable 4 – Hypothesis for gold, palladium and platinum production rates at Skaergaard 2014-2018

Platina provided estimates of potential production rates and timing milestones. Management disclosed a planned production of 4MMT of graded ore over 20 years, grading at least 4.5g/T from the second half of 2014 onwards. Using a 80% recovery rate, and based on the current 43101 resource estimate, this would represent an annualized production of 90,000oz to 110,000oz of combined gold and PGMs. Arrowhead feels that at Skaergaard, Platina is dealing at this stage with a high-risk early-stage exploration asset, especially given the localization, infrastructure and access. To represent this risk a discount of 50 to 75% is applied to the production targets disclosed by management.

Based on this rationale, Arrowhead considers that annual production at Skaergaard should be 0.75MMT to 0.85MMT of graded ore from S2-2014 onwards.

Variable 5 – Hypothesis for cost of production from Skaergaard 2014-2018

Platina provided estimates of cost of production at AUS\$49/T to AUS\$81/T of graded ore at Skaergaard.

Arrowhead considers that cost of production from Skaergaard should be AUS\$60/T to AUS\$85/T of graded ore.

Variable 6 – US\$/AUS\$ exchange rates

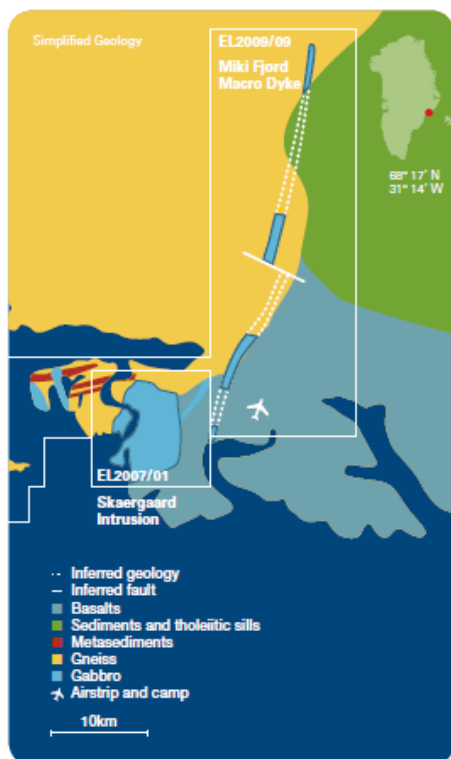
Since Platina Resources' forecast revenues are extremely sensitive to the forecast international prices of gold and PGMs, which are priced in US\$, and since Platina is listed in AUS\$, the currency factor is of importance. US\$/AUS\$ exchange rates of 1.0 are the benchmark for a low value, while a high value estimate is on an average rally at 1.40.

Assets & Projects

PGM Exploration and Development Portfolio

Platina Resources possesses interest in two key PGM assets in Greenland and Australia, namely Skaergaard and Munni Munni respectively. Skaergaard is the most advanced project and the key point of focus for Platina in the medium term. The second asset of focus, Munni Munni, is Australia's largest PGM deposit.

Skaergaard Gold and PGM Project



EL2007/01
141 km²
East Greenland

Location

The property is located on the East coast of Greenland, 400km west of Iceland.

Adjacent EL

The license is adjacent to EL 2009/09, also 100% owned by Platina.
(see asset description below)

Platina **interest** in Skaregaard: **100%**
(no production royalties)

Asset summary: exploration property at **PFS stage**
considered for **underground mining**

Commodity targets: **gold, palladium and platinum**

43-101 Resource Estimate (Inferred)^{xvii}:
1,520MMT graded ore @0.21g/T Au, or **10.3MMoz gold**; @0.61g/T Pd, or **29.6MMoz palladium**; and @0.04g/T Pt, or **2MMoz platinum**.

Operating Costs: ranging from **US\$49-81/T**

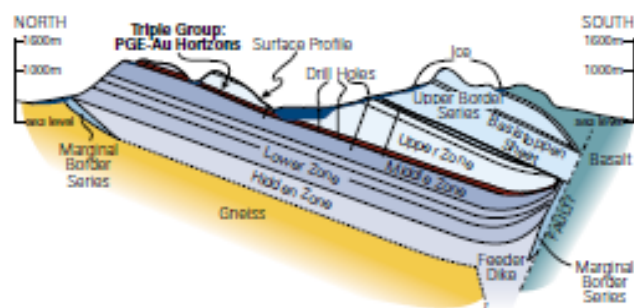
Capex Estimate: **US\$166MM**
(infrastructure costs not included) (accuracy ~40%)

Project Geology

The 141 km² of the tenement area contain the entire Skaergaard Intrusion.

Layered mafic intrusion with mineralization hosted in planar reefs:

Skaergaard Project North South Geologic Section (Looking East)



Mineralization and Metallurgy

Metallurgical test work has confirmed high bench-scale metallurgical recoveries of gold, palladium and platinum achieved from bulk samples – up to 92.7% gold recovery using a simple flotation circuit.

Exploration Potential

At least 11 other gold occurrences are known within the project area, including the Victor Island prospect with ~35,000oz gold. The target is to increase the main resource base to 1.5-2MMoz concurrently converting the confidence level of Inferred Resources to Indicated and Measured categories.

Work Accomplished

1. The Pre-Feasibility Study is well advanced. Platina aims to complete the PFS by late 2011 and rapidly transition to Definitive Feasibility Study in 2012.
2. Positive Scoping Study Review completed by GRD Minproc in October 2009.
3. Confirmed viability of conceptual 2.4MMT/y underground mine development.

4. Room & pillar mining identified as the preferred underground mining method.

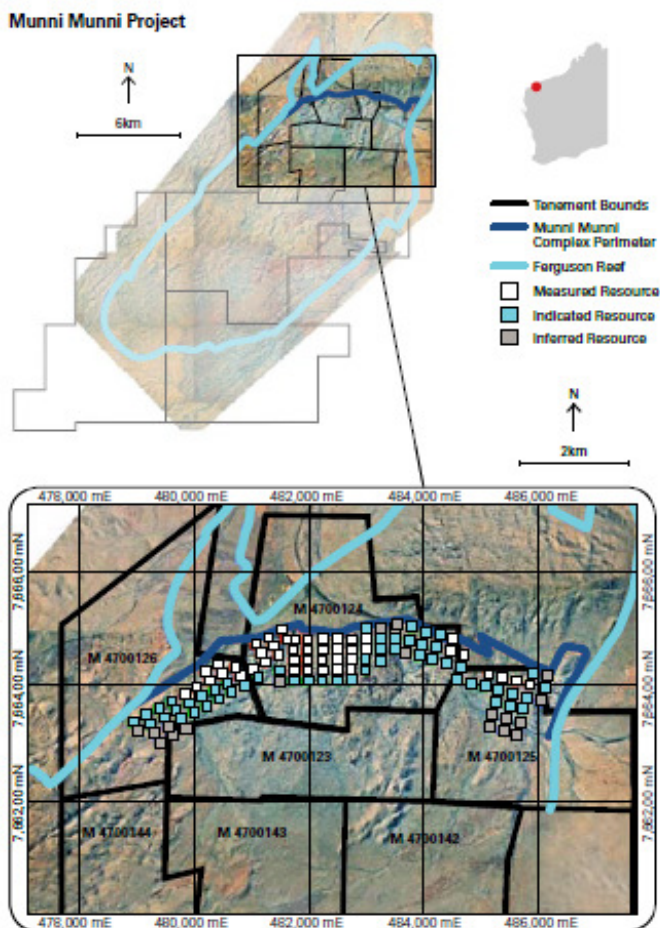
Future Work: 2010 drilling program

Platina intends to conduct a 6,000m drilling program in 2010, concentrating on delivering a new resource estimate that will be reported in accordance with the JORC Code based entirely on the higher grade core of the deposit. The drilling is planned to verify the existence of a higher - grade core to the deposit, in

conjunction to adding greater confidence to the inferred mineral resource. The escalation in the spot price of palladium may have the potential to significantly improve the project economics, consequently all drill - holes are planned to intersect both the Gold Zone and the underlying Palladium Zone.

In addition Platina is planning a further metallurgical test work program to reduce capital and operating costs.

Munni Munni Gold and PGM Project M47/123-126 & M47/141-144 E47/905, E47/1015 & E47/1074 Pilbara, Western Australia, Australia



Munni Munni JORC compliant measured, indicated and inferred resources in plan view. The blocks represent offset block centroids at 1500ppb Pt, Pd + Au cut-off, coloured by resource classification.

Platina **interest** in Munni Munni: **100%**
(no royalties on production)

Asset summary: **mineral exploration prospect**

Target Commodities: **gold, PGM suite**

JORC Resource Estimate (Measured, Indicated and Inferred)^{xviii}: 24MMT graded ore (22.2MMT Measured and Indicated) @0.2g/T Au; @0.15g/T Pd; and @0.11g/T Pt.

Location and Access

Munni Munni is located in the Pilbara region, 60 km south of Karratha, 40km from a deepwater port and 8km from rail access. Grid power and groundwater are available on the project site. There is abundant skilled workforce present nearby.

Project Geology and Mineralization

The project covers one of Australia's largest layered ultramafic intrusions known as the Munni Munni Igneous Complex (MMIC). The mineralization at Munni Munni is hosted inside the Ferguson Reef.

Work Accomplished

The last Pre-Feasibility Study on the MMIC was carried out in 2002 and considered both underground and open-cut mining proposals for the entire resource defined in the central zone. The current resource estimate at Munni Munni was considered sub-economic at 2002 PGM prices.

Current and Future Work Program

Platina is currently carrying out a new estimation for the Munni Munni resource which is expected to be completed by July 2010. The results of the drilling will form part of an overall revised economic assessment at Munni Munni that is

being conducted by AMC and AMEC Minproc of Brisbane. Objectives of the study are to:

- Identify potential high-grade zones of the resource

- Review metallurgy and processing options
- Review possibility of on-site smelting
- Review Opex and Capex costs

Platina also possesses interest in PGM exploration projects and exploration properties in a less advanced stage of development (pre-resource certification), as well as the Miki Fjord Dyke Precious and Base Metal Project adjacent to Skaergaard. The more advanced of the PGM assets is Owendale in the Fifield area of New South Wales, Australia. Other PGM assets include Polar Bear, Mount Venn in Western Australia, Southern Cross in Namibia, Kap Edvard Holm in Greenland.

Owendale PGM Project

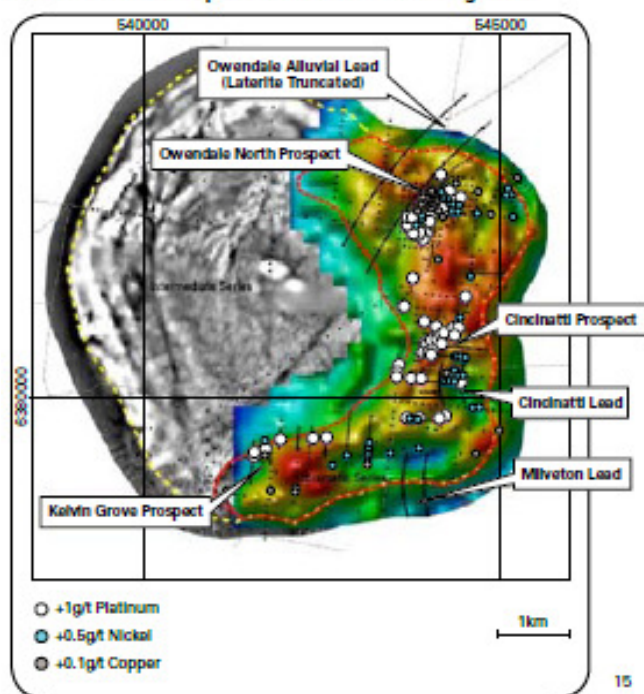
EL6228, 98km²

Fifield, New South Wales, Australia

Platina **interest** in Owendale: **100%**
(no royalties on production)

Asset summary: **early-stage mineral exploration prospect**

Owendale North Project – 1st Vertical Gravity over Ultramafic Units Draped on 1st Vertical Aeromagnetics



Target Commodities: **copper, PGM suite**

Location and Access

The Fifield region is the centre to Australia's first Platinum production.

Project Geology and Mineralization

The Platina licence runs over the Owendale intrusion, an Alaskan type intrusion composed of two mafic and ultramafic lithologies. Outcrop is limited due to a weathering profile to a depth of approximately 30m, however, geology is well defined by geophysical interpretation and drilling.

Work Accomplished

During 2008-09 Platina persisted in its efforts to re-evaluate the Owendale intrusion and its potential for new styles of mineralization. In particular, the process of chemical weathering has concentrated Ni, Co & Pt in a laterite profile with significant metal concentrations and tonnage. Further drilling on the area in 2009 identified the potential for chromium and scandium both within and outside of the currently known mineralization. Both elements are likely to be concentrated and coincident with the current lateritic mineralization.

A Controlled Source Audio - Magneto - Telluric (CSAMT) survey was carried out by Southern Geoscience Consultants of Perth in early 2010 and focused on a 4.5km² area enclosing the Owendale North locality, where previous diamond drilling in 1987 identified strongly anomalous PGMs and copper in three drill holes. The CSAMT survey appears to have identified the PGM and copper intersections encountered by historical drilling, and confirms that the 1987 drilling missed the main portion of a larger geophysical conducting body.

Current and Future Work Program

Platina committed as of late May 2010 to carry out a 2,000m drilling program on Owendale in Q3-2010, in order to test the significant new geophysical target identified by the CSAMT survey.

**Miki Fjord Dyke Precious and Base Metal Project
EL2009/09, 1,346km²
East Greenland**

Platina **interest** in Miki Fjord Dyke: **100%**

Asset summary: **early-stage mineral exploration prospect**

Target Commodities: **platinum, palladium, silver, cobalt, copper, nickel**

Location and Access

The property is located on the East Coast of Greenland, adjacent to Skaergaard (see map in Skaergaard asset description)

Project Geology and Mineralization

The Miki Fjord dyke is a linear NNE-trending, steeply dipping, layered gabbroic dyke. Width varies between 20m to 600m, becoming increasingly narrow to the north. The Miki Fjord Dyke is compositionally similar and temporally related to the Skaergaard intrusion and intruded into Pre-Cambrian basement gneiss and Tertiary basalts. Mineralization at the Miki Fjord Dyke was discovered in 1986 by Platinova Resources, and further field work in 1987 and 1996 located outcrop grading up to 2.2g/T palladium, 0.10g/T platinum and 0.29g/T gold. Mineralization occurs at the margins of the dyke and is characterized by disseminated and massive cupriferous sulphides. Exploration activities

by Platinova Resources were only conducted on the southern most 17km of the dyke.

Work Accomplished

In 2008, Platina carried out extensive sampling on the potential extensions to the Miki Fjord Dyke. The Company was successful in extending the known mineralized extent of the dyke, increasing its strike length to in excess of 55km. Limited sampling of the new extension graded up to 3.3g/T silver, 1.0g/T palladium, 0.02g/T platinum, 0.11% cobalt, 2.09% copper and 0.74% nickel. Mineralization is hosted along the base of the dyke in a persistent 5m zone of sulphide enrichment. The majority of sulphides range from interstitial to blebby (0.5-6cm) and also massive.

Current and Future Exploration and Additional Prospects

In 2009 Platina conducted further sampling and mapping of the new extension and drilling using a man-portable diamond drill. Previous explorers have identified numerous localities within the EL containing anomalous levels of precious and base metals. These include, but are not limited to niobium - REE and precious metal bearing veins, including an in-situ grab sample grading 7.5g/T gold and 70g/T silver. These locations were the focus for 2009 sampling and mapping activities.

**Kap Edvard Holm Gold and PGM Project
EL2008/24, 390km²
East Greenland**

Platina **interest** in Miki Fjord Dyke: **100%**

Asset summary: **early-stage mineral exploration prospect**

Target Commodities: **platinum, gold**

Location

The tenement contains the entire Kap Edvard Holm Complex, the second largest intrusion in the immediate Skaergaard vicinity (~40km distance).

Project Geology and Mineralization

The complex is exposed over 15km by 25km and a stratigraphic thickness of greater than 5km. The Kap

Edvard Holm Complex is mostly comprised of layered gabbros that were subjected to numerous later intrusions of syenite, granite and ultramafics. These repeated injections of magma also created large areas of brecciation. The layered gabbros have been subdivided into three series, the Lower Layered Series in the North, the Middle Layered Series in the centre, and the Upper Layered Series in the South. The Lower Layered Series is host to anomalous platinum and gold mineralization, which was named the Willow Ridge Anomaly.

Historic Work

In 1990, Platinova Resources obtained grades of 2.2g/T gold over 1.6m, underlain by a platinum zone grading 1.5g/T over 2m. The reef was again sampled 400m to the NW, this time by chip

sampling, grading 710ppb platinum over 1m. The Willow Ridge anomaly was drilled in 1991 by Platinova with 11 drill holes, resulting in the definition of a 19km long mineralized horizon with an average grade of 50ppb gold and 250ppb platinum over 3m drilled width.

The drill program at Willow Ridge demonstrated the occurrence to be anomalous in precious metals.

Current and Future Exploration

Further sampling in overlooked locations will be carried out. The most likely new region of prospectivity may be in the underexplored ultramafic rocks and igneous breccias in the southern half of the Complex. These areas will be the focus of 2009 fieldwork activities.

Southern Cross Project – EPL3591

Namibia

Platina **interest** in Southern Cross: up to **51%**
(JV agreement with Cheetah Minerals)

Asset summary: **early-stage mineral exploration prospect**

Target Commodities: **palladium, copper, nickel**

Location and Access

The Southern Cross Project is located in the south central portion of Namibia.

Project Geology and Mineralization

The Southern Cross mafic body is mostly covered by Aeolian sands. Interpretation of airborne magnetic data has revealed a sub-outcrop extent approximately 10 x 2.5km with down-dip extensions to the northeast. Mapping of the limited outcrop along the

NW margin indicates the intrusion is layered and thus has potential to host Ni-Cu-PGM magmatic sulphide deposits.

Work Accomplished

During the year, Platina conducted a program of geochemical sampling across the interpreted extent of the mafic body. The array of geochemical testing consisted of calcrete and loam sampling at six hundred locations in three 5km long traverses. Assay results delineated copper and palladium anomalies indicative of Ni-Cu-PGM mineralization. Anomalous locations in which further geochemical sampling and a possible scout drilling have been highlighted.

Current and Future Exploration and Additional Prospects

Preliminary drilling of geochemical anomalies was anticipated to begin in 2010.

Mount Venn Project– EL38/1000 (60km²)

Western Australia

Platina **interest** in Mount Venn: **100%**

Asset summary: **early-stage mineral exploration**

Target Commodities: **PGM, copper, nickel**

Location and Access

The license is located approximately 150km NE of Laverton in Western Australia.

Project Geology and Mineralization

The license is within the Eastern Goldfields Province and is host to a mafic intrusive, prospective for

magmatic and hydrothermal nickel, copper and platinum group elements.

The intrusion is in part obscured by a thin bed rock overburden, rarely deeper than 20m. Historical drilling focused on the southern portion of the intrusion which was anomalous in Ni & Cu, with the most northern of holes intercepting 4m at 1.3% Cu, including 2m at 1.2% Ni.

Work Accomplished

In 2009-10, Platina carried out desktop reviews.

Future Exploration

The northern segment of the intrusion remains untested and will be the focus for possible further field work within the next twelve months.

Management and Governance

The Management and Governance team is composed of a balance of experienced engineers for operations and accomplished practitioners of mining project finance and regulatory and legal issues.

Mr. Robert W. Mosig (MSc, FAusIMM, FAICD)

Chief Executive Officer, Managing Director

Robert Mosig is a geologist with over 30 years experience in Platinum Group Metals, gold and diamond exploration within Australasia.

Mr. Thomas Abraham-James (BSc (Hons), MAusIMM)

Exploration Manager

Thomas Abraham-James is a geologist who began his career conducting advanced exploration on South Africa's Bushveld Complex (Placer Dome). He later worked as a mine geologist at Rio Tinto's Argyle Diamond Mine before joining Platina. Tom has worked on all of the Company's projects and managed the 2008 and 2009 Greenland exploration field seasons.

Mr. John Ferguson (PhD, DSc, FAusIMM, Life Fellow Geol. Soc. of South Africa)

Non-Executive Director

Dr John Ferguson has been involved in the minerals industry, academia and geological surveys for the past 40 years. He has conducted extensive exploration activities in Australia, southern Africa, Greenland, Canada, Chile, Mexico, Mongolia, and China in particular for diamonds, gold, platinum group elements, uranium and heavy mineral sands.

Mr. Reg Gillard (BA, FAICD, FASCPA, MRAJWA)

Non-Executive Chairman

Reg Gillard has over 30 years experience in the formation, governance and financial maintenance of exploration and mining companies throughout the world.

Mr. Brian Moller (LLB (Hons))

Non-Executive Director

Brian Moller is a corporate partner in the Brisbane-based law firm Hopgood Ganim where he has been a partner since 1983. He practices almost exclusively in the corporate area with an emphasis on capital raising, mergers and acquisitions.

Value

The Fair Market Value for all of Platina Resources' shares stands at AUS\$44.415MM to AUS\$292.838MM.

The Fair Market Value for one of Platina Resources' publicly traded shares stands at AUS\$0.52 to AUS\$3.43.

Platina Resources Balance Sheet Forecast

CONSOLIDATED BALANCE SHEET

*all figures in '000 Aus\$,
unless stated differently*

Low bracket estimates

<i>year beginning July. 1st</i>	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E
Total Current Assets	1,124	78	(12,126)	(31,669)	(47,572)	(22,153)	(2,091)	18,533
Total Non-current Assets	1,000	9,960	20,302	33,665	43,170	43,076	41,942	40,787
TOTAL ASSETS	2,124	10,038	8,175	1,996	(4,402)	20,924	39,852	59,320
Total Current Liabilities	-	-	-	-	-	-	-	-
Total Non-current Liabilities	-	12,000	14,880	12,731	10,604	8,498	6,413	4,349
TOTAL LIABILITIES	-	12,000	14,880	12,731	10,604	8,498	6,413	4,349
Total Shareholder's Equity	2,124	(1,962)	(6,705)	(10,736)	(15,006)	12,426	33,439	54,971
TOTAL LIABILITIES & EQUITY	2,124	10,038	8,175	1,996	(4,402)	20,924	39,852	59,320

Important information on Arrowhead methodology

The principles of the valuation methodology employed by Arrowhead BID are variable to a certain extent depending on the subsectors in which the research is conducted, but all Arrowhead valuation research possesses an underlying set of common principles and a generally common quantitative process.

With Arrowhead Commercial and Technical Due Diligence, Arrowhead extensively researches the fundamentals, assets and liabilities of a company, and builds solid estimates for revenue and expenditure over a coherently determined forecast period.

Elements of past performance such as price/earning ratios, indicated as applicable, are present mainly for reference purposes. Still, elements of real-world past performance enter the valuation through their impact on the commercial and technical due diligence.

Elements of comparison such as multiple analyses may be to some limited extent integrated in the valuation on a project-by-project or asset-by-asset basis. In the case of this Platina Resources report, there is no multiple analysis which enters into the valuation.

Arrowhead BID Fair Market Value Bracket

The Arrowhead Fair Market Value is given as a bracket. This is based on quantitative key variable analysis, such as key price analysis for revenue and cost drivers or analysis and discounts on revenue estimates for projects, especially relevant to those projects estimated to provide revenue near the end of the chosen forecast period. Low and high estimates for key variables are produced as a tool for valuation.

In principle an investor who is comfortable with the high-brackets of our key variable analysis will align with the high-bracket in the Arrowhead Fair Value Bracket, and likewise in terms of low estimates. The investor will also take into account the company intangibles – as presented in the first pages of this document in the analysis on strengths and weaknesses and on other essential company information. These intangibles serve as supplementary decision factors for adding or subtracting a premium in the investor's own analysis.

The bracket should be understood as a tool provided by Arrowhead BID for the reader of this report and the reader should not solely rely on this information to make his decision on any particular security. The reader must also understand one the one hand that global capital markets contain inefficiencies, especially in terms of information, and that on the other hand corporations and their commercial and technical positions evolve rapidly: this present edition of the Arrowhead valuation is for a short to medium-term alignment analysis (one to twelve months). The reader should refer to important disclosures on page 20 of this report.

Information on the Platina Resources Corporation valuation

Time horizon: The Arrowhead fair valuation for Platina Resources Limited is based on a discounted cash flow method. The time period chosen for the valuation is ~130 months (May 2010- June 2018). Because of the high discount factor used, the years 2016-2018 are heavily discounted and have a marginal effect on the valuation. They are included to present a full project cycle situation.

Underlying Business Plan: Platina Resources' aim at the Skaergaard PGM and Gold Project is to develop production of 90,000oz to 110,000oz of combined gold and PGMs per year based on the current and soon-to-be updated NI-43101 and JORC resource of 10.3MMoz gold, 29.8MMoz palladium and 1.95MMoz platinum in 1.2BT of graded ore; Platina plans to drill further to define the core zone of the deposit and translate its resource certification into JORC-compliant material. Platina expects cash costs between AUS\$60/T to AUS\$85/T of graded ore. This is expected to be refined during further metallurgical work for the PFS and subsequent DFS.

Terminal Value: Terminal Value is estimated to depend on a terminal growth rate of 0%, representing an increasing marginal cost of stripping the deep layers of the open pit mine type.

Prudential nature of valuation: It should be noted that this Arrowhead Fair Value Bracket estimate is a relatively prudential estimate, as it discounts the eventuality of Platina acquiring and producing from any other projects than Skaergaard before 2018.

Key variables: The upper and lower bounds in the estimation correspond to the extreme positions taken by the following key variables:

- **Variable 1** – Forecast price of platinum for 2010-2018: US\$1,350/oz to US\$1,600/oz in 2010, CAGR of 0.3% through 2011-2018.
- **Variable 2** – Forecast price of palladium for 2010-2018: US\$350/oz to US\$525/oz in 2010, CAGR of 0.3% through 2011-2018.
- **Variable 3** – Forecast price of gold for 2010-2018: US\$950/oz to US\$1,150/oz in 2010, CAGR of 0.3% through 2011-2018.
- **Variable 4** – Hypothesis for annual production at Skaergaard 2014-2018: 0.75MMT to 0.85MMT graded ore (@4.5g/T Au) or 90,000oz to 110,000oz of combined gold and PGMs from S2-2014 onwards.
- **Variable 5** – Hypothesis for cost of production at Skaergaard 2014-2018: AUS\$60/T to AUS\$85/T of graded ore.
- **Variable 6** – US\$ / AUS\$ exchange rate: 1.00 to 1.40.

Analyst certifications

I, Thomas Renaud, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security and the subject company.

I, Moses R. Cheron, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security and the subject company.

Important disclosures

Arrowhead Business and Investment Decisions, LLC received fees in 2010 from Platina Resources for researching and drafting this report and for a series of other services to Platina Resources including distribution of this report and networking services. Arrowhead BID currently owns options on Platina Resources equity.

Aside from certain reports published on a periodic basis, the large majority of reports are published by Arrowhead BID at irregular intervals as appropriate in the analyst's judgment.

Any opinions expressed in this report are statements of our judgment to this date and are subject to change without notice.

This report was prepared for general circulation and does not provide investment recommendations specific to individual investors. As such, any of the financial or other money-management instruments linked to the company and company valuation described in this report, hereafter referred to as "the securities", may not be suitable for all investors.

Investors must make their own investment decisions based upon their specific investment objectives and financial

situation utilizing their own financial advisors as they deem necessary. Investors are advised to gather and consult multiple sources of information while preparing their investment decisions. Recipients of this report are strongly advised to read the *Information on Arrowhead Methodology* section of this report to understand if and how the Arrowhead Due Diligence and Arrowhead Fair Value Bracket integrate alongside the rest of their stream of information and within their decision taking process.

Past performance of securities described directly or indirectly in this report should not be taken as an indication or guarantee of future results. The price, value of, and income from any of the financial securities described in this report may rise as well as fall and may be affected by simple and complex changes in economic, financial and political factors.

Should a security described in this report be denominated in a currency other than the investor's home currency, a change in exchange rates may adversely affect the price of, value of, or income derived from the security.

This report is published solely for information purposes, and is not to be considered as an offer to buy any security, in any state.

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Arrowhead Business and Investment Decisions, LLC is not responsible for any loss, financial or other, directly or indirectly linked to any price movement or absence of price movement of the securities described in this report.

Valuation

Figures are in thousands AUS\$, unless indicated otherwise.

WACC

Risk-free rate	5.43%	^{xxix}
Beta	1.62	^{xxx}
Risk premium	4.5%	^{xxxi}
Additional Risk Premium	2.0%	^{xxxii}
Cost of Equity	15.96%	
Terminal Growth Rate	0%	^{xxxiii}

KEY VARIABLES

	Forecast Au prices 2010-2018 (in US\$/oz)	Forecast Pd and Pt prices 2010-2018 (in US\$/oz)	Expected production at Skaergaard	Expected prod. costs (graded ore)	US\$/AUS\$ exchange rate
Max value	1,150 in '10, then +0.3% CAGR	Please refer to <i>Key Variables</i> section	Please refer to <i>Key Variables</i> section	AUS\$60/T	1.40
Min value	950 in '10, then +0.3% CAGR			AUS\$85/T	1.00

Time Period --->	0.13	1.13	2.13	3.13	4.13	5.13	6.13	7.13	8.13	9.13
Year beginning 1 st July	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E
FCFE (High)										
Net cash from operation	(3,560)	(7,298)	(3,429)	(2,355)	(2,256)	94,935	96,257	96,751	97,222	97,675
Capital Expenditure	(1,000)	(9,000)	(10,500)	(13,875)	(10,538)	(1,301)	(246)	(173)	(137)	(119)
Net Debt Addition	9,500	11,436	1,725	(3,313)	(3,109)	(2,908)	(2,709)	(2,521)	(2,326)	(2,133)
Free Cash Flow to Equity	4,940	(4,862)	(12,205)	(19,543)	(15,903)	90,725	93,302	94,056	94,758	95,422
Discount Factor	0.98	0.85	0.73	0.63	0.54	0.47	0.40	0.35	0.30	0.26
Present Value of FCF	4,846	(4,113)	(8,903)	(12,294)	(8,628)	42,445	37,643	32,724	28,431	24,690
FCFE (Low)										
Net cash from operation	(3,560)	(7,298)	(3,429)	(2,355)	(2,256)	25,631	23,005	23,306	23,584	23,842
Capital Expenditure	(1,000)	(9,000)	(10,500)	(13,875)	(10,538)	(1,301)	(246)	(173)	(137)	(119)
Net Debt Addition	9,500	11,436	1,725	(3,313)	(3,109)	(2,908)	(2,709)	(2,521)	(2,326)	(2,133)
Free Cash Flow to Equity	4,940	(4,862)	(12,205)	(19,543)	(15,903)	21,421	20,050	20,611	21,120	21,590
Discount Factor	0.98	0.85	0.73	0.63	0.54	0.47	0.40	0.35	0.30	0.26
Present Value of FCF	4,846	(4,113)	(8,903)	(12,294)	(8,628)	10,022	8,089	7,171	6,337	5,586

In the model, the valuation is continued to the year 2020, from which point the terminal value is established. For all data see reference table below^{xxiv}.

ARROWHEAD FAIR VALUE BRACKET

	High	Low
Terminal Value (TV)	597 885	135 276
Present Value of TV	154 698	35 002
Present Value of FCF	136 841	8 113
Present Value of FCF + TV	291 538	43 115
+ Cash	1 300	1 300
Equity Value Bracket	292 838	44 415
Shares on issue	85 500 000	85 500 000
Fair Share Value Bracket	AUS\$ 3.43	AUS\$ 0.52
Current Market Price	AUS\$ 0.255	AUS\$ 0.255
Current Market Cap. (CAN\$)	21.803 MM	21.803 MM
Target Market Cap. Bracket (CAN\$)	292.838 MM	44.415 MM

^{xxv}

^{xxvi} undiluted

Notes

- i Source: ASX.com detailed quote.
- ii 52 weeks to 21st May, 2010. Source: Capital IQ, retrieved 21st May, 2010.
- iii 3 months to 21st May, 2010. Source: Yahoo! Finance, retrieved 21st May, 2010.
- iv See *Technologies and Markets* section of the report.
- v Arrowhead Business and Investment Decisions Fair Value Bracket – AFVB™. See information on valuation on pages 18-21 of this report and important disclosures on page 20 of this report.
- vi Source: <http://www.ibtimes.com/articles/23923/20100517/gm-swings-to-q1-profit-since-2007-on-cost-cutting-measures-new-launches.htm>.
- vii Source: www.tradertech.com/information/platinumtrading.asp.
- viii Source: <http://minerals.usgs.gov/minerals/pubs/commodity/platinum/mcs-2010-plati.pdf>.
- ix Source: <http://minerals.usgs.gov/minerals/pubs/commodity/platinum/550496.pdf>.
- x Source: *Platinum 2010* Report, May 2010 – Johnson Matthey Public Limited Company – Precious Metals Marketing – Orchard Road, Royston, Hertfordshire, SG8 5HE, England; +44 (0)1763 256315; ptbook@matthey.com; www.platinum.matthey.com.
- xi Source of information and photograph in this section: Wikipedia page – <http://en.wikipedia.org/wiki/Gold>.
- xii National Geographic: "The Real Price of Gold" by Brook Larmer – <http://ngm.nationalgeographic.com/2009/01/gold/larmer-text/3>.
- xiii K stands for karat, a standard unit of measurement for the purity of gold.
- xiv Source: www.platinum.matthey.com/pgm-prices/price-charts.
- xv Source: Kitco – www.kitco.com/charts/liveplatinum.html.
- xvi Source: Kitco – www.kitco.com/charts/livepalladium.html.
- xvii Inferred Resource Estimate calculated under Canadian National Instrument 43-101. Skaergaard Inferred Resource Estimate for the Combined Zone, including a an Au-enriched Zone and a Pd-enriched Zone. Calculated by Roscoe Postle Associates Inc (2005) and verified by AMC Consultants Pty Ltd (2009). Source: Platina website and annual report.

Zone	Millions Metric Tonnes	Grades			Contained Metal		
		Au (g/t)	Pd (g/t)	Pt (g/t)	Au (MMoz)	Pd (MMoz)	Pt (MMoz)

Combined Zone	1,520	0.21	0.61	0.04	10.3	29.6	2.0
Contained within the Combined Zone							
Gold Zone	107	1.68	0.59	0.05	5.8	2.0	0.2
Palladium Zone	104	0.11	1.91	0.16	0.4	6.4	0.5

xviii Find breakdown of Munni Munni JORC Resource Estimate in table below:

JORC Category	MMT	Pt g/T	Pd g/T	Au g/t	Rh g/T	Cu %	Ni %
Measured	12.4	1.1	1.4	0.2	0.1	0.09	0.07
Indicated	9.8	1.1	1.6	0.3	0.1	0.22	0.11
Inferred	1.4	1.1	1.6	0.3	0.1	0.15	0.09
Total	23.6	1.1	1.5	0.2	0.1	0.15	0.09

xix 10-year Australian treasury on 28th May, 2010. Source: www.bloomberg.com.

xx Source: Capital IQ, retrieved 28th May, 2010.

xxi Source: Arrowhead BID estimate.

xxii Source: Arrowhead BID estimate.

xxiii Source: Arrowhead BID estimate.

xxv Source: Capital IQ, retrieved 28th May, 2010.

xxv Source: Capital IQ, retrieved 28th May, 2010.