

PLATINUM GROUP METALS LTD  
Form 20-F  
March 15, 2005

United States  
Securities and Exchange Commission  
Washington, DC 20549

Form 20-F  
2004 Annual Report

(Mark One)

Registration Statement Pursuant to Section 12(b) Or (g) of the Securities Exchange Act of 1934

Or

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Fiscal Year Ended August 31, 2004

Or

For the Transition Period From \_\_\_\_\_ To \_\_\_\_\_

Commission File Number: 0-30306

Platinum Group Metals Ltd.

(Exact Name of Registrant As Specified In Its Charter)

Not Applicable

(Translation of Registrant's Name Into English)

British Columbia, Canada

(Jurisdiction of Incorporation or Organization)

Suite 328, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5

(Address of Principal Executive Offices)

Securities Registered or to be Registered Pursuant to Section 12 (b) of the Act.

Title of Each Class

Name on Each Exchange On Which Registered

None

N/A

Securities Registered or to be Registered Pursuant to Section 12(g) of the Act.

Common Shares Without Par Value

(Title of Class)

Securities For Which There is a Reporting Obligation Pursuant to Section 15(d) of the Act.

None

(Title of Class)

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Indicate the Number of Outstanding Shares of Each of the Issuer's Classes of Capital or Common Stock as of the close of the Period Covered by the Annual Report.

34,587,415 Common Shares

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Indicate by Check Mark Whether the Registrant (1) has Filed All Reports Required To be Filed by Section 12 or 15(d) of the Securities Exchange Act of 1934 During the Preceding 12 Months (or for such shorter period that the registrant was required to file such reports), and (2) Has Been Subject to Such Filing Requirements for the Past 90 Days.

Yes                      X                      No

Indicate by Check Mark Which Financial Statement Item the Registrant Has Elected to Follow.

Item 17                      X                      Item 18

(Applicable Only to Issuers Involved in Bankruptcy Proceedings During the Past Five Years)

Indicate by Check Mark Whether the Registrant Has Filed All Documents and Reports Required to be Filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 Subsequent to the Distribution of Securities Under a Plan Confirmed by a Court.

Yes                                      No                                      Not Applicable                                      X

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The information contained in this Annual Report is current at March 11, 2005 except where a different date is specified.

Unless otherwise specified, all monetary amounts are expressed in Canadian dollars.

Financial information is presented in accordance with accounting principles generally accepted in Canada. Differences between accounting principles generally accepted in Canada and in the United States, as applicable to the Company are set forth in Note 14 to the accompanying Consolidated Financial Statements of Platinum Group Metals Ltd.

The following table sets forth certain standard conversions from the International System of Units (metric units) to the Standard Imperial Units:

<u>Metric</u>	<b>Conversion Table</b>	<u>Imperial</u>
1.0 millimetre (mm)	=	0.039 inches (in)
1.0 metre (m)	=	3.28 feet (ft)
1.0 kilometre (km)	=	0.621 miles (mi)
1.0 hectare (ha)	=	2.471 acres (ac)
1.0 gram (g)	=	0.032 troy ounces (oz)
1.0 metric tonne (t)	=	1.102 short tons (ton)
1.0 g/t	=	0.029 oz/ton

### **Forward-Looking Statements**

This report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 concerning the Company's exploration, operations, planned acquisitions and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed, and based on certain assumptions that the mineral deposit can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking statements." Forward-looking statements are subject to a variety of risks and uncertainties, which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation:

- risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits;

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- results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations;
  - mining exploration risks, including risks related to accidents, equipment breakdowns or other unanticipated difficulties with or interruptions in production;
  - the potential for delays in exploration activities or the completion of feasibility studies;
  - risks related to the inherent uncertainty of exploration and cost estimates and the potential for unexpected costs and expenses;
  - risks related to commodity price fluctuations;
-

- the uncertainty of profitability based upon the Company's history of losses;
- risks related to failure to obtain adequate financing on a timely basis and on acceptable terms;
- risks related to environmental regulation and liability;
- political and regulatory risks associated with mining and exploration; and
- other risks and uncertainties related to the Company's prospects, properties and business strategy.

Some of the important risks and uncertainties that could affect forward looking statements are described further in this document under the headings "Risk Factors", "History and Development of the Company", "Business Overview", "Property, Plants and Equipment" and "Operating and Financial Review and Prospects." Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Forward looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

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## Glossary

Except as otherwise identified, the following terms, when used herein, shall have the following meanings:

"**Amalco**" refers to the company formed by the amalgamation of Platinum Group Metals Ltd. and New Millennium Metals Corporation called "Platinum Group Metals Ltd.".

"**Amalgamation**" refers to the amalgamation of Platinum Group Metals Ltd. and New Millennium Metals Corporation under the *Company Act* (British Columbia).

"**Amalgamation Date**" is February 18, 2002, the date shown on the certificate of amalgamation issued by the Registrar of Companies under the *Company Act*.

"**Commission**" refers to the British Columbia Securities Commission.

"**Common Shares**" refers to the common shares in the capital of the Company.

"**Company**" refers to Platinum Group Metals Ltd.

"**Company Act**" refers to the *Company Act* (British Columbia). On March 30, 2004, the *Company Act* (British Columbia) replaced by the *Business Corporations Act* (British Columbia).

"**Exchange**" refers to the TSX Venture Exchange or its predecessors, the Canadian Venture Exchange or the Vancouver Stock Exchange, as applicable.

**"flow through"** as defined in subsection 66(15) of the *Income Tax Act* (Canada), includes the issuance of common shares in the capital of natural resource companies or the issuance of special warrants entitling the holder thereof to acquire, for no additional consideration, such common shares, in respect of which the natural resource company agrees to incur and renounce resource exploration and development expenditures to the Company including certain expenses incurred for the purpose of exploring for petroleum or natural gas in Canada (including certain drilling expenses), certain expenses incurred for the purpose of determining the existence, location, extent or quality of a mineral resource in Canada; and certain expenses incurred for the purpose of bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities.

**"hectare"** is an area totaling 10,000 square metres or 100 metres by 100 metres.

**"km"** is an abbreviation for kilometre.

**"m"** refers to metres.

**"NMM"** refers to New Millennium Metals Corporation, a company incorporated under the laws of the Province of British Columbia on March 11, 1998 under the name "Harvey Creek Gold Placers Ltd.". Pursuant to an order by the Supreme Court of British Columbia, a new company under the name "Platinum Group Metals Ltd." was formed on February 18, 2002 to facilitate the amalgamation of New Millennium Metals Corporation and Platinum Group Metals Ltd.

**"NSR"** is an abbreviation for net smelter royalty.

**"PTG"** refers to Platinum Group Metals Ltd., the company incorporated under the laws of the Province of British Columbia on January 10, 2000 as 599141 B.C. Ltd. Pursuant to an order by the Supreme Court of British Columbia, a new company under the name "Platinum Group Metals Ltd." was formed on February 18, 2002 to facilitate the amalgamation of New Millennium Metals Corporation and Platinum Group Metals Ltd.

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"**PTM-RSA**" refers to the Company's wholly owned subsidiary incorporated under the laws of the Republic of South Africa under the name Platinum Group Metals (RSA) (Proprietary) Limited.

"**Registrant**" refers to Platinum Group Metals Ltd., the company formed by the amalgamation of Platinum Group Metals Ltd. and New Millennium Metals Corporation under the *Company Act* (British Columbia).

"**RSA**" is an abbreviation for Republic of South Africa.

"**special warrants**" are issued for cash consideration by a company under a prospectus exemption. They entitle the holder to acquire common shares or units consisting of common shares and share purchase warrants upon the conversion of the special warrant. No additional consideration is payable by the warrant holders on the conversion of the special warrant. The special warrants are converted on or immediately after the effective date of a prospectus, which qualifies the issuance of the shares (and any share purchase warrants) on the conversion of the special warrants.

"**ZAR**" is an abbreviation for South African Rand.

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### Glossary of Technical Terms

"**AEM**" is an abbreviation for airborne electromagnetic.

"**Ag**" refers to silver.

"**anomalous**" refers to a sample or location that either (i) the concentration of an element(s) or (ii) geophysical measurement is significantly different from the average background values in the area.

"**anomaly**" refers to the geographical area corresponding to anomalous geochemical or geophysical values.

"**anorthosite**" is a rock comprised of largely feldspar minerals and minor mafic iron-magnesium minerals.

"**As**" refers to arsenic.

"**assay**" is an analysis to determine the quantity of one or more elemental components.

"**Au**" refers to gold.

"**BIC**" is an abbreviation for the Bushveld Igneous Complex in South Africa, the source of most of the world's platinum and is a significant producer of palladium and other platinum group metals (PGM's) as well as chrome.

"**breccia**" is a rock type with angular fragments of one composition surrounded by rock of another composition or texture.

**"bulk placer sampling"** (in the context of placer properties) refers to the process of obtaining individual gravel samples in the order of 5 to 15 cubic yards using an excavating machine and running the samples through a concentrating device to measure the placer gold content per cubic yard.

**"chalcopyrite"** is a copper sulfide mineral.

**"channel sample"** is a surface sample which has been collected by continuous sampling across a measured interval, and is considered to be representative of the area sampled.

**"chargeability"** is a measure of electrical capacitance of a rock that may indicate the presence of disseminated sulfide minerals but not all chargeability features are caused by such sulfides.

**"cm"** refers to centimetres.

**"Cu"** refers to copper.

**"early-stage exploration property"** refers to a property which has been subjected to a limited amount of physical testing and systematic exploration work with no known extensive zone of mineralization.

**"EM"** is an abbreviation for electromagnetic.

**"exploration stage"** refers to the stage where a company is engaged in the search for minerals deposits (reserves) which are not in either the development or production stage.

**"fault"** is a fracture in a rock across which there has been displacement.

**"fracture"** is a break in a rock, usually along flat surfaces.

**"gabbro"** is an intrusive rock comprised of a mixture of mafic minerals and feldspars.





**"gossanous"** refers to a rock outcrop that is strongly stained by iron oxides.

**"grab sample"** is a sample of selected rock chips collected from within a restricted area of interest.

**"grade"** is the concentration of an ore metal in a rock sample, given either as weight percent for base metals (ie, Cu, Zu, Pb) or in grams per tonne (g/t) or ounces per short ton (oz/t) for precious or platinum group metals.

**"g/t"** refers to grams per tonne.

**"highly anomalous"** is an anomaly, which is in approximately the 90<sup>th</sup> percentile of the sample or measurement population.

**"ICP"** refers to inductively coupled plasma, a laboratory technique used for the quantitative analysis of samples (soil, rock, etc.) taken during field exploration programs.

**"intrusive"** is a rock mass formed below earth's surface from molten magma, which was intruded into a pre-existing rock mass and cooled to solid.

**"IP survey"** refers to induced polarization survey, a geophysical method of exploring an area in which physical properties relating to geology are used.

**"lode mining"** refers to mining in solid rock.

**"mafic"** is a rock type consisting of predominantly iron and magnesium silicate minerals with little quartz or feldspar minerals.

**"magmatic"** means pertaining to magma, a naturally occurring silicate melt, which may contain suspended silicate crystals, dissolved gases, or both; magmatic processes are at work under the earth's crust.

"**mid-stage exploration property**" is one hosting a known zone of mineralization, which has been subjected to a limited amount of physical testing and systematic exploration work.

"**mineralization**" refers to minerals of value occurring in rocks.

"**Mo**" refers to molybdenum, a hard, silver-white metal.

"**Ni**" is an abbreviation for nickel.

"**outcrop**" refers to an exposure of rock at the earth's surface.

"**overburden**" is any material covering or obscuring rocks from view.

"**Pd**" refers to palladium.

"**PGM**" refers to platinum group metals, ie. platinum and palladium.

"**PGE**" refers to mineralization containing platinum group elements, ie. platinum and palladium.

"**placer mining**" is the mining of unconsolidated material, which overlies solid rock (bedrock).

"**ppb**" refers to parts per billion.

"**ppm**" refers to parts per million.

"**Pt**" refers to platinum.



**"pyrite"** is an iron sulfide mineral.

**"pyroxenite"** refers to a relatively uncommon dark-coloured rock consisting chiefly of pyroxene; pyroxene is a type of rock containing sodium, calcium, magnesium, iron, titanium and aluminum combined with oxygen.

**"quartz"** is a common rock-forming mineral ( $\text{SiO}_2$ )

**"Rh"** refers to rhodium, a platinum metal. Rhodium shares some of the notable properties of platinum, including its resistance to corrosion, its hardness and ductility. Wherever there is platinum in the earth, there is rhodium as well. In fact, most rhodium is extracted from a sludge that remains after platinum is removed from the ore. A high percentage of rhodium is also found in certain nickel deposits in Canada.

**"ultramafic"** refers to refers to types of rock containing relatively high proportions of the heavier elements such as magnesium, iron, calcium and sodium; these rocks are usually dark in color and have relatively high specific gravities.

**"VLF"** means very low frequency.

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**Part I**

**Item 1 - Identity of Directors, Senior Management and Advisers**

See "Item 6 - Directors, Senior Management and Employees".

**Item 2 - Offer Statistics and Expected Timetable**

Not applicable.

**Item 3 - Key Information**

***Selected Financial Data***

Selected financial data of the Company for the fiscal years ended August 31, 2004, 2003 and 2002 are derived from the consolidated financial statements of the Company which have been audited by Deloitte & Touche LLP as indicated in their independent auditors' report which is included elsewhere in this Annual Report. The selected financial data set forth for the periods from commencement of operations on March 16, 2000 to August 31, 2001 are derived from the Company's audited consolidated financial statements for such period which are not included herein.

The selected financial data should be read in conjunction with the financial statements and notes thereto as well as the information appearing under the heading "Item 5 - Operating and Financial Review and Prospects."

The Company has not declared any dividends since incorporation and does not anticipate that it will do so in the foreseeable future. The present policy of the Company is to retain future earnings for use in its operations and the expansion of its business.

**Summary of Financial Data**

The financial statements of the Company and the table set forth below have been prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"), which differ in certain respects from those principles that the Company would have followed had its consolidated financial statements been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The major differences between Canadian GAAP and U.S. GAAP that would affect the measurement of the Company's financial position, loss or cash flows are set forth in Note 14 to the accompanying Consolidated Financial Statements of the Company.

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## SELECTED FINANCIAL DATA

(CDN\$)

	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>	<b>March 16, 2000 to</b>
	<b><u>August 31, 2004</u></b>	<b><u>August 31, 2003</u></b>	<b><u>August 31, 2002</u></b>	<b><u>August 31, 2001</u></b>	<b><u>August 31, 2000</u></b>
Revenues	Nil	nil	nil	nil	nil
Working Capital	2,364,360	984,333	1,284,919	1,526,798	154,508
Net Loss					
Under Canadian GAAP:	2,242,627	1,748,993	1,501,620	482,687	39,956
Under U.S. GAAP:	4,675,466	2,580,499	2,466,754	960,202	270,435
Loss Per Share					
Under Canadian GAAP:	0.07	0.07	0.10	0.09	0.03
Under U.S. GAAP:	0.15	0.10	0.17	0.17	0.60
Dividends per Share					
Under Canadian GAAP:	nil	nil	nil	nil	nil
Under U.S. GAAP:	nil	nil	nil	nil	nil
Total Assets					
Under Canadian GAAP:	9,134,019	5,086,421	4,373,047	2,762,964	657,284
Under U.S. GAAP:	5,347,799	3,173,662	3,316,066	2,056,220	426,805
Long Term Liabilities					
Under Canadian GAAP:	427,000	359,000	431,400	310,000	nil
Under U.S. GAAP:	nil	nil	60,000	nil	nil
Mineral Properties (included in Total Assets)					
Under Canadian GAAP:	5,995,550	3,891,653	2,951,089	1,067,357	419,370
Under U.S. GAAP:	1,899,705	1,912,894	1,894,108	360,613	188,891
Shareholder's Equity					
Under Canadian GAAP:	8,047,124	4,557,873	3,830,219	2,302,410	590,044
Under U.S. GAAP:	4,577,275	2,964,127	3,144,638	1,905,666	359,565
Share Capital					
Under Canadian GAAP:	14,990,075	9,005,078	6,430,482	3,132,453	89,000
Under U.S. GAAP:	14,990,075	9,005,078	6,430,482	3,132,453	89,000