

PLATINUM GROUP METALS LTD
Form F-10/A
December 13, 2012

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As filed with the Securities and Exchange Commission on December 13, 2012.

Registration No. 333-185375

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1
TO
FORM F-10

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

PLATINUM GROUP METALS LTD.

(Exact name of Registrant as specified in its charter)

British Columbia (Province or other Jurisdiction of Incorporation or Organization)	1099 (Primary Standard Industrial Classification Code Number)	Not Applicable (I.R.S. Employer Identification Number, if applicable)
Bentall Tower 5, 550 Burrard Street, Suite 328, Vancouver, British Columbia, Canada V6C 2B5 (604) 899-5450		

(Address and telephone number of Registrant's principal executive offices)

DL Services Inc., 701 Fifth Avenue, Suite 6100, Seattle, WA 98104,
(206) 903-8800

(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

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Approximate date of commencement of proposed sale of the securities to the public:

As soon as practicable after this registration statement becomes effective

Province of British Columbia
(Principal jurisdiction regulating this offering)

It is proposed that this filing shall become effective (check appropriate box below):

- A. upon filing with the Commission, pursuant to Rule 467(a) (if in connection with an offering being made contemporaneously in the United States and Canada).
- B. at some future date (check the appropriate box below)
1. pursuant to Rule 467(b) on () at () (designate a time not sooner than 7 calendar days after filing).
 2. pursuant to Rule 467(b) on () at () (designate a time 7 calendar days or sooner after filing) because the securities regulatory authority in the review jurisdiction has issued a receipt or notification of clearance on ().
 3. pursuant to Rule 467(b) as soon as practicable after notification of the Commission by the Registrant or the Canadian securities regulatory authority of the review jurisdiction that a receipt or notification of clearance has been issued with respect hereto.
 4. after the filing of the next amendment to this Form (if preliminary material is being filed).

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to the home jurisdiction's shelf prospectus offering procedures, check the following box.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registration Statement shall become effective as provided in Rule 467 under the Securities Act of 1933 or on such date as the Commission, acting pursuant to Section 8(a) of the Act, may determine.

PART I

INFORMATION REQUIRED TO BE DELIVERED TO OFFEREES OR PURCHASERS

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

SUBJECT TO COMPLETION, DATED DECEMBER 12, 2012

PROSPECTUS

PLATINUM GROUP METALS LTD.

CAN\$180,000,000

225,000,000 Common Shares

Platinum Group Metals Ltd. (the "**Company**") is offering (the "**Offering**") 225,000,000 common shares (the "**Offered Shares**") at a price of CAN\$0.80 per Offered Share (the "**Offering Price**").

The outstanding common shares of the Company (the "**Common Shares**") are listed for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "PTM" and on the NYSE MKT, LLC (the "**NYSE MKT**") under the symbol "PLG". On December 11, 2012, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was CAN\$0.79 and the closing price of the Common Shares on the NYSE MKT was US\$0.81. The Company has applied to list the Offered Shares on the TSX and on the NYSE MKT. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX and the NYSE MKT.

Investing in the Offered Shares involves significant risks. See "Risk Factors" beginning on page 4 of the Prospectus.

	Per Offered Share		Total	
Price to the Public	CAN\$	0.800	CAN\$	180,000,000
Underwriter's Fee	CAN\$	0.042	CAN\$	9,450,000
Proceeds to the Company (Before Expenses)	CAN\$	0.758	CAN\$	170,550,000

Pursuant to an underwriting agreement (the "**Underwriting Agreement**") dated as of December 12, 2012 between the Company and BMO Nesbitt Burns, Inc., RBC Dominion Securities Inc., GMP Securities L.P., Raymond James Ltd., Stifel Nicolaus Canada Inc., CIBC World Markets Inc. and Cormark Securities Inc. (collectively, the "**Underwriters**"), the Company has granted the Underwriters an option (the "**Over-Allotment Option**") to purchase up to 33,750,000 additional Common Shares (the "**Over-Allotment Shares**") to cover over-allotments, if any. Unless the context otherwise requires, when used herein, all references to "Offered Shares" include any Over-Allotment Shares.

This Offering is made by a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare this Prospectus in accordance with Canadian disclosure requirements. Prospective investors should be aware that such requirements are different from those of the United States. Financial statements incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and are subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies.

Prospective investors should be aware that the acquisition of Offered Shares may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be fully described herein.

The enforcement by investors of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the laws of British Columbia, Canada, that some of its officers and directors are residents of

Canada, and that a substantial portion of the assets of the Company and said persons are located outside the United States.

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved the Offered Shares or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Delivery of the Offered Shares through the facilities of CDS Clearing and Depository Services Inc. is expected to occur on or about January 4, 2013 or such other date as may be agreed between the Company and the Underwriters, but in any event not later than 42 days following the date of a final receipt for the Canadian final prospectus relating to the Offering (the "**Closing Date**").

Joint Book-Running Managers

BMO Capital Markets

RBC Capital Markets

GMP Securities

Raymond
James

Stifel Nicolaus
Canada Inc.

CIBC World
Markets

Cormark
Securities

The date of this Prospectus is December , 2012.

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The Company's consolidated financial statements as at and for the financial year ended August 31, 2012 that are incorporated by reference into this Prospectus have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("**IFRS**").

Unless otherwise indicated, all information in this Prospectus assumes no exercise of the Over-Allotment Option.

Unless the context otherwise requires, references in this Prospectus to the "**Company**" include Platinum Group Metals Ltd. and each of its subsidiaries.

Investors should rely only on the information contained in or incorporated by reference into this Prospectus. The Company has not authorized anyone to provide investors with different information. Information contained on the Company's website shall not be deemed to be a part of this Prospectus or incorporated by reference herein and should not be relied upon by prospective investors for the purpose of determining whether to invest in the Offered Shares. Neither the Company nor the Underwriters are making an offer of these securities in any jurisdiction where the offer or sale is not permitted. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the face page of this Prospectus. The

Company's business, operating results, financial condition and prospects may have changed since that date; however, if, after a receipt for the final Prospectus is issued but before the completion of the distribution under the final Prospectus, a material change (as such term is defined under applicable Canadian securities laws) occurs in the business, operations or capital of the Company, the Company must file an amendment to the Prospectus as soon as practicable but in any event within ten days after the day the material change occurs.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus and the documents incorporated by reference herein contain "forward-looking statements" within the meaning of the *United States Private Securities Litigation Reform Act* of 1995 and "forward-looking information" within the meaning of applicable Canadian securities laws (collectively, "**Forward-Looking Statements**"). All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will, may, could or might occur in the future are Forward-Looking Statements. The words "expect," "anticipate," "estimate," "may," "could," "might," "will," "would," "should," "intend," "believe," "target," "budget," "plan," "strategy," "goals," "objectives," "projection" or the negative of any of these words and similar expressions are intended to identify Forward-Looking Statements, although these words may not be present in all Forward-Looking Statements. Forward-Looking Statements included or incorporated by reference in this Prospectus include, without limitation, statements with respect to:

revenue, cash flow and cost estimates and assumptions;

production estimates and assumptions, including production rate, grade per tonne and smelter recovery;

project economics;

future metal prices and exchange rates;

mineral reserve and mineral resource estimates; and

production timing.

Forward-Looking Statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-Looking Statements in respect of capital costs, operating costs, production rate, grade per tonne and smelter recovery are based upon the estimates in the technical reports referred to in this Prospectus and in the documents incorporated by reference herein and ongoing cost estimation work, and the Forward-Looking Statements in respect of metal prices and exchange rates are based upon the three year trailing average prices and the assumptions contained in such technical reports and ongoing estimates.

Forward-Looking Statements are subject to a number of risks and uncertainties that may cause the actual events or results to differ materially from those discussed in the Forward-Looking Statements, and even if events or results discussed in the Forward-Looking Statements are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things:

additional financing requirements;

the Company's history of losses and ability to continue as a going concern;

the fact that most of the Company's properties contain no known mineral reserves;

delays in, or inability to achieve, planned commercial production at the Company's properties;

discrepancies between actual and estimated mineral reserves and mineral resources, between actual and estimated development and operating costs, between actual and estimated metallurgical recoveries and between estimated and actual production;

fluctuations in the relative values of the Canadian dollar as compared to the South African Rand and the United States dollar;

metal price volatility;

a default under the proposed Project Loan Facility (as defined herein), if consummated, including as a result of delays in the start-up of the Project 1 platinum mine (defined herein);

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the ability of the Company to retain its key management employees or procure the services of skilled and experienced personnel;

conflicts of interest among the Company's directors and executive officers as a result of their involvement with other mineral resource companies;

any disputes or disagreements with the Company's joint venture partners or any failure of the Company or such joint venture partners to fund their obligations under applicable joint venture agreements;

exploration, development and mining risks and the inherently dangerous nature of the mining industry, including environmental hazards, industrial accidents, unusual or unexpected formations, safety stoppages (whether voluntary or regulatory), pressures, mine collapses, cave ins or flooding and the risk of inadequate insurance or inability to obtain insurance to cover these risks and other risks and uncertainties;

property and mineral title risks, including defective title to mineral claims or property;

changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, South Africa or other countries in which the Company does or may carry out business in the future;

equipment shortages and the ability of the Company to acquire the necessary access rights and infrastructure for its mineral properties;

environmental regulations and the ability of the Company to obtain and maintain necessary permits, including environmental authorizations;

competition in the mineral exploration industry; and

risks of doing business in South Africa, including but not limited to, labour, economic and political instability.

These factors should be considered carefully, and investors should not place undue reliance on the Company's Forward-Looking Statements. In addition, although the Company has attempted to identify important factors that could cause actual actions or results to differ materially from those described in Forward-Looking Statements, there may be other factors that cause actions or results not to be as anticipated, estimated or intended.

The mineral resource and mineral reserve figures referred to in this Prospectus and the documents incorporated herein by reference are estimates and no assurances can be given that the indicated levels of platinum, palladium, rhodium and gold will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the mineral resource and mineral reserve estimates included in this Prospectus and the documents incorporated by reference are well established, by their nature, mineral resource and mineral reserve estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. Any inaccuracy or future reduction in such estimates could have a material adverse impact on the Company.

Any Forward-Looking Statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any Forward-Looking Statement, whether as a result of new information, future events or results or otherwise.

RESERVE AND RESOURCE DISCLOSURE

Due to the uncertainty that may be attached to inferred mineral resource estimates, it cannot be assumed that all or any part of an inferred mineral resource estimate will be upgraded to an indicated or measured mineral resource estimate as a result of continued exploration. Confidence in an inferred mineral resource estimate is insufficient to allow meaningful application of the technical and economic parameters to enable an evaluation of economic viability sufficient for public disclosure, except in certain limited circumstances set out in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Inferred mineral resource estimates are excluded from estimates forming the basis of a feasibility study.

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

CAUTIONARY NOTE TO UNITED STATES INVESTORS

Estimates of mineralization and other technical information included or incorporated by reference herein have been prepared in accordance with NI 43-101. The definitions of proven and probable reserves used in NI 43-101 differ from the definitions in the United States Securities and Exchange Commission ("SEC") Industry Guide 7. Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. As a result, the reserves reported by the Company in accordance with NI 43-101 may not qualify as "reserves" under SEC standards. In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the SEC. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities laws, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Additionally, disclosure of "contained ounces" in a resource is permitted disclosure under Canadian securities laws; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measurements. Accordingly, information contained in this Prospectus and the documents incorporated by reference herein containing descriptions of the Company's mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of United States federal securities laws and the rules and regulations thereunder.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in all of the provinces of Canada (collectively, the "Commissions"). *Copies of the documents incorporated herein by reference may be obtained on request without charge from Frank Hallam at Suite 328, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5, telephone (604) 899-5450 and are also available electronically at www.sedar.com.*

The following documents of the Company, filed by the Company with the Commissions, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the annual information form of the Company dated November 23, 2012 for the financial year ended August 31, 2012 (the "**Annual Information Form**" or "**AIF**");
- (b) the audited consolidated financial statements of the Company as at and for the financial year ended August 31, 2012, together with the notes thereto and the auditor's report thereon;

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- (c) management's discussion and analysis of the Company dated November 23, 2012 for the financial year ended August 31, 2012 (the "MD&A");
- (d) the management information circular of the Company dated for reference December 1, 2011 prepared for the purposes of the annual general meeting of the Company held on January 19, 2012;
- (e) the material change report of the Company dated December 12, 2012 announcing that the Company has priced the Offering;
- (f) the material change report of the Company dated December 10, 2012 announcing the Offering;
- (g) the material change report of the Company dated December 6, 2012 announcing that the syndicate of lead arrangers has obtained credit committee approval for the planned Project Loan Facility;
- (h) the material change report of the Company dated December 3, 2012 announcing that a total of 15 new drill intercepts, including hole deflections, have confirmed the continuity of the inferred resource area on the Waterberg property;
- (i) the material change report of the Company dated November 5, 2012 announcing that new drill intercepts on the Waterberg property have doubled the strike length of the Waterberg discovery;
- (j) the material change report of the Company dated October 12, 2012 announcing the advancement of the planned US\$260 million Project Loan Facility through the detailed technical, financial and legal due diligence stages;
- (k) the material change report of the Company dated October 10, 2012 announcing the filing of a technical report entitled "Exploration Results and Mineral Resource Estimate for the Waterberg Platinum Project, South Africa";
- (l) the material change report of the Company dated September 17, 2012 announcing that drilling at the Waterberg property has significantly expanded the new discovery area of layered mineralization outside the declared inferred resource previously announced by the Company;
- (m) the material change report of the Company dated September 11, 2012 announcing that Rustenburg Platinum Mines Ltd. has exercised its right of first refusal to purchase the off-take concentrate from the Western Bushveld Project 1 platinum mine; and
- (n) the material change report of the Company dated September 4, 2012 announcing an inferred mineral resource estimate for a newly discovered deposit on the Waterberg property.

In addition to any document required to be incorporated by reference in this Prospectus under applicable securities laws, any document of the type referred to above (excluding confidential material change reports) or referenced in Item 11.1 of Form 44-101F1 *Short Form Prospectus* of the Canadian Securities Administrators filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference into this Prospectus. In addition, any document filed by the Company with, or furnished by the Company to, the SEC pursuant to the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), subsequent to the date of this Prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference into this Prospectus and the registration statement of which this Prospectus forms a part (in the case of any Report on Form 6-K, if and to the extent expressly provided in such report).

Any statement contained in a document incorporated or deemed to be incorporated by reference herein is not incorporated by reference to the extent that any such statement is modified or superseded by a statement herein or in any subsequently filed document that is also or is deemed to be incorporated by reference herein. Any such modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded

statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to

state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be considered in its unmodified or superseded form to constitute a part of this Prospectus; rather only such statement as so modified or superseded shall be considered to constitute part of this Prospectus.

ADDITIONAL INFORMATION

A registration statement on Form F-10 has been filed by the Company with the SEC in respect of the distribution of the Offered Shares. The registration statement, of which this Prospectus constitutes a part, contains additional information not included in this Prospectus, certain items of which are contained in the exhibits to such registration statement, pursuant to the rules and regulations of the SEC. Information omitted from this Prospectus but contained in the registration statement is available on the SEC's website under the Company's profile at www.sec.gov. You should refer to the registration statement and the exhibits for further information.

In addition to the Company's continuous disclosure obligations under the securities laws of the provinces of Canada, the Company is subject to the information requirements of the U.S. Exchange Act and in accordance therewith the Company files with or furnishes to the SEC reports and other information. The reports and other information that the Company files with or furnishes to the SEC are prepared in accordance with the disclosure requirements of Canada, which differ in certain respects from those of the United States. As a foreign private issuer, the Company is exempt from the rules under the U.S. Exchange Act prescribing the furnishing and content of proxy statements, and the Company's officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the U.S. Exchange Act. In addition, the Company may not be required to publish financial statements as promptly as U.S. companies. Copies of any documents that the Company has filed with the SEC may be read at the SEC's public reference room at Room 1500, 100 F Street N.E., Washington, D.C., 20549. Copies of the same documents may also be obtained from the public reference room of the SEC by paying a fee. Please call the SEC at 1-800-SEC-0330 or access its website at www.sec.gov for further information about the public reference room.

The SEC's Electronic Data Gathering, Analysis and Retrieval System ("**EDGAR**") Internet site also contains reports and other information about the Company and any public documents that the Company files electronically with the SEC. The EDGAR site can be accessed at www.sec.gov.

DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT

The following documents have been or will be filed with the SEC as part of the registration statement on Form F-10 of which this Prospectus forms a part: (a) the documents referred to under the heading "Documents Incorporated by Reference"; (b) consents of each of the following: PricewaterhouseCoopers LLP; Charles Muller; Gordon Cunningham and Timothy Spindler; Byron Stewart; Kenneth Lomberg; and R. Michael Jones; (c) the Underwriting Agreement; and (d) powers of attorney from certain of the Company's directors and officers (included on the signature pages of the registration statement).

ENFORCEABILITY OF CIVIL LIABILITIES

The Company is a corporation governed by the *Business Corporations Act* (British Columbia). All of the Company's officers and directors, and some or all of the underwriters and experts named in this Prospectus, are residents of Canada or otherwise reside outside of the United States, and all or a substantial portion of their assets, and a significant portion of the Company's assets, are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process within the United States upon the Company or such directors, officers, underwriters and experts who are not residents of the United States or to enforce against them judgments of a U.S. court predicated solely upon civil liability under U.S. federal securities laws or the securities laws of any state within the United States. The Company has filed with the SEC an appointment of agent for service of process on Form F-X. Under the Form F-X, the Company has appointed DL Services Inc., located at Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, Washington 98104-7043, as its agent for service of process in the United States in connection with any investigation or administrative proceeding conducted by the SEC and any civil suit or action brought against or involving the Company in a United States court arising out of or related to or concerning the Offering.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

Unless stated otherwise or the context otherwise requires, all references to dollar amounts in this Prospectus are references to Canadian dollars. All references to "CAN\$" are to Canadian dollars, all references to "US\$" are to United States dollars and all references to "R" or "Rand" are to South African Rand.

The following table sets forth the rate of exchange for the United States dollar expressed in Canadian dollars in effect at the end of each of the periods indicated, the average of the exchange rates in effect on the last day of each month during each of the periods indicated, and the high and low exchange rates during each of the periods indicated based on the noon rate of exchange as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars.

	Year Ended August 31					
	2012		2011		2010	
Average rate for period	CAN\$	1.0092	CAN\$	0.9892	CAN\$	1.0447
Rate at end of period	CAN\$	0.9863	CAN\$	0.9784	CAN\$	1.0639
High for period	CAN\$	1.0604	CAN\$	1.0520	CAN\$	1.1065
Low for period	CAN\$	0.9752	CAN\$	0.9449	CAN\$	0.9961

The noon rate of exchange on December 11, 2012 as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars was US\$1.00 equals CAN\$0.9867.

The following table sets forth the rate of exchange for the South African Rand expressed in Canadian dollars in effect at the end of each of the periods indicated, the average of the exchange rates in effect on the last day of each month during each of the periods indicated, and the high and low exchange rates during each of the periods indicated based on the noon rate of exchange as reported by the Bank of Canada for conversion of Rand into Canadian dollars.

	Year Ended August 31					
	2012		2011		2010	
Average rate for period	CAN\$	0.1262	CAN\$	0.1428	CAN\$	0.1393
Rate at end of period	CAN\$	0.1176	CAN\$	0.1397	CAN\$	0.1443
High for period	CAN\$	0.1393	CAN\$	0.1510	CAN\$	0.1474
Low for period	CAN\$	0.1170	CAN\$	0.1352	CAN\$	0.1333

The noon rate of exchange on December 11, 2012 as reported by the Bank of Canada for the conversion of Rand into Canadian dollars was one Rand equals CAN\$0.1139.

BUSINESS OF THE COMPANY

The Company is a platinum focused exploration and development company conducting work primarily on mineral properties it has staked or acquired by way of option agreements in the Republic of South Africa and in Canada.

The Company's material subsidiaries are two wholly-owned companies, one majority-owned company and a 49.9% holding in a fourth company, all of which are incorporated under the company laws of the Republic of South Africa.

Notes:

- (1) The Company holds a 37% direct interest in the Waterberg Project and a 12.974% indirect interest in the Waterberg Project by virtue of PTM RSA's 49.9% ownership interest in Mnombo Wethu Consultants (Pty) Limited (that in turn holds 26% of the Waterberg Project), which brings the Company's effective interest in the Waterberg Project to 49.974%.

The Company conducts its South African exploration and development work through its wholly-owned direct subsidiary, Platinum Group Metals (RSA) (Proprietary) Limited ("**PTM RSA**"). PTM RSA holds the Company's interests in Project 1 and Project 3 (each defined below) of what was formerly the Western Bushveld Joint Venture (the "**WBJV**") through its 74% holdings in Maseve Investments 11 (Pty) Limited ("**Maseve**"). The Company also owns 49.9% of Mnombo Wethu Consultants (Pty) Limited ("**Mnombo**"), a Black Economic Empowerment ("**BEE**") company, which holds a 26% participating interest in the Waterberg Project (defined below).

Currently, the Company considers two of its mineral projects to be material: the Western Bushveld Project 1 platinum mine ("**Project 1**") and the Waterberg Project. The Company also holds interests in various early-stage exploration projects located in Canada and in South Africa. The Company continues to evaluate exploration opportunities both on currently owned properties and on new prospects.

Project 1 and Project 3 of the WBC Project

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The Company's most advanced mineral project is its 74% interest in Project 1 and the adjacent Project 3 ("**Project 3**") mineral resource, a platinum exploration and, in the case of Project 1, development project on

combined mineral rights covering approximately 47 square kilometres ("**km²**") within the Western Bushveld Complex of South Africa (the "**WBC Project**"). Wesizwe Platinum Limited ("**Wesizwe**"), through its subsidiary Africa Wide Mineral Prospecting and Exploration (Pty) Limited ("**Africa Wide**"), owns the remaining 26% interest in Project 1 and Project 3. Africa Wide is the Company's BEE partner with regard to Maseve's Mining Right (as defined herein). The majority of the Company's exploration and development activities to date have been focused on Project 1 in order to advance it to the feasibility stage and then into development. Project 3 hosts indicated and inferred mineral resources, but feasibility and development work are not expected to commence until Project 1 is in production. On July 7, 2008, the Company announced the results of a feasibility study on Project 1 (the "**2008 Feasibility Study**"). On October 8, 2009, the Company published an updated feasibility study on Project 1 (the "**2009 UFS**"). On April 4, 2012, Maseve was issued a letter of grant for a formal mining right for Project 1 (the "**Mining Right**") by the Department of Mineral Resources of the Government of South Africa (the "**DMR**"). The Mining Right was notarially executed on the commencement date of May 15, 2012 and registered on August 3, 2012. During 2012, the Company continued with Phase 1 development of Project 1 budgeted at US\$100 million (of which the Company's share is US\$74 million). Phase 1 includes surface infrastructure, lay down areas, electrical and water connections, twin decline development and some lateral development. As of the date of this Prospectus, Phase 1 is approximately 80% complete with estimated completion by April 2013.

Phase 2 development of Project 1, which is expected to cost approximately US\$406 million on a peak funding amount basis (of which the Company's share is approximately US\$300.44 million), includes the completion of an additional southern decline access into the deposit and a milling, concentrating and tailings facility. Phase 2 development is expected to be funded by debt financing and funding from equity sources. See "Use of Proceeds". Plant and facility construction and commissioning are estimated to take up to two years to complete. Full commercial production is estimated to occur after a two year ramp-up period subsequent to the commissioning of the plant. See "Risk Factors".

On August 1, 2011, the Company entered into an agreement mandating a syndicate of banks to arrange for a US\$260 million project finance loan to Maseve for the development of Phase 2 of Project 1 (the "**Project Loan Facility**"). Societe Generale, London Branch, a major European bank and financial services company, later joined the group of lead arrangers consisting of Barclays Bank plc's affiliate Absa Capital, The Standard Bank of South Africa Limited and Caterpillar Financial SARL (together, the "**Mandated Lead Arrangers**"). The Mandated Lead Arrangers have a global presence and direct platinum industry experience and the syndicate includes two of South Africa's major banks. The proposed debt financing has advanced through the detailed technical, financial and legal due diligence stages. On December 6, 2012, the Company announced the receipt of credit committee approval by the Mandated Lead Arrangers. The maturity date of the Project Loan Facility is expected to be August 31, 2020. Closing and draw down of the Project Loan Facility is now subject to the negotiation and execution of final documentation and satisfaction of certain conditions precedent. Conditions precedent to draw down required by the Mandated Lead Arrangers will include the Company and Wesizwe providing a tranche of equity capital, a cost overrun facility and a working capital provision. The Company intends to apply a portion of the net proceeds of the Offering to partially fund the balance of its portion of the estimated Phase 2 capital costs. See "Use of Proceeds".

Waterberg Project

The Company's second material mineral project is the Waterberg project (the "**Waterberg Project**") comprised of a contiguous licence area of 137 km² located on the North Limb of the Bushveld Complex, approximately 70 km north of the town of Mokopane (formerly Potgietersrus). The Waterberg Project is an exploration project that came from a regional target initiative of PTM RSA conceived in 2007 and executed over the past three years, resulting in the discovery of several distinct 3.0 to 6.0 metre ("**m**") thick Platinum Group Element mineralized layers.

PTM RSA applied for a prospecting right for the Waterberg Project area in 2009, and in September 2009 the DMR granted PTM RSA a prospecting right for the requested area. Later in October 2009, PTM RSA entered an agreement with the Japan Oil, Gas and Metals National Corporation ("**JOGMEC**") and Mnombo (the "**JOGMEC Agreement**") whereby JOGMEC could earn up to a 37% participating interest in the project for an optional work commitment of US\$3.2 million over four years, while at the same time Mnombo could earn a

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26% participating interest in exchange for matching JOGMEC's expenditures on a 26/74 basis (US\$1.12 million).

On November 7, 2011, the Company entered into an agreement with Mnombo whereby the Company acquired 49.9% of the issued and outstanding shares of Mnombo from its shareholders in exchange for cash payments totaling R1.2 million and agreeing to pay for Mnombo's 26% share of project costs to feasibility (bringing the Company's share of project costs to 63%). When combined with the Company's 37% direct interest in the Waterberg Project (taking into consideration the JOGMEC earn-in), the 12.974% indirect interest held by the Company through Mnombo brings the Company's effective interest in the Waterberg Project to 49.974%. To the Company's knowledge, Mnombo remains over 50% held for the benefit of historically disadvantaged South Africans ("**HDSAs**") as defined by the *Mineral and Petroleum Resources Development Act* of 2002 ("**MPRDA**") and the *Broad-Based Black Economic Empowerment Act*, 2003 (the "**BEE Act**") and is a qualified BEE corporation under the BEE Act.

In April 2012, JOGMEC completed its US\$3.2 million earn-in requirement as described above and PTM RSA, Mnombo and JOGMEC became parties to an unincorporated joint venture regarding the Waterberg Project.

On September 4, 2012, the Company published an inferred mineral resource estimate on the Waterberg Project area. The initial inferred mineral resource estimate covers the first 1.8 km of T-layer and 2.8 km of F-layer strike length starting from the southern boundary of the property position. On November 5, 2012, the Company announced that new drill intercepts have approximately doubled the strike length of the Waterberg Project. The F mineralized layers have now been intercepted in boreholes up to 2.7 km north of the initial mineral resource area. The Company published an updated technical report entitled "Updated Exploration Results and Mineral Resource Estimate for the Waterberg Platinum Project, South Africa" dated November 5, 2012 (the "**Updated Waterberg Report**") on November 23, 2012.

RISK FACTORS

An investment in the Offered Shares involves a high degree of risk and must be considered a highly speculative investment due to the nature of the Company's business and the present stage of exploration and development of its mineral properties. Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity or quality to return a profit from production.

Prospective purchasers of the Offered Shares should carefully consider the risk factors set out below, as well as the information included or incorporated by reference in this Prospectus, before making an investment decision to purchase the Offered Shares. Specific reference is made to the sections entitled "Risk Factors" in the MD&A and "Risk Factors" in the AIF. See "Documents Incorporated by Reference". Without limiting the foregoing, the following risk factors should be given special consideration when evaluating an investment in the Company's securities. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also have a material adverse effect on the Company.

Risks Relating to our Company

The Company's current cash will not be sufficient to fund its business as currently planned for the next 12 months, and the Company therefore requires additional financing, which may not be available on acceptable terms, if at all.

The Company currently does not have adequate funds to satisfy all of its planned financial requirements for the next 12 months relating to the exploration, development and operation of its projects. The Company therefore requires additional financing from external sources, such as debt financing, equity financing or joint ventures, in order to meet such requirements and carry out the future development of its projects and external growth opportunities. The success and the pricing of any such capital raising and/or debt financing will depend upon the prevailing market conditions at that time. There can be no assurance that such financing will be available to the Company or, if it is available, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, this may have a depressive effect on the price of the Common Shares and the interests of shareholders in the net assets of the Company may be diluted.

The Company is seeking to secure the Project Loan Facility for Maseve. While credit committee approval has been obtained by the Mandated Lead Arrangers with respect to the Project Loan Facility, there can be no assurance that the Project Loan Facility will be provided on the terms described in this Prospectus and the documents incorporated by reference herein, or at all. The completion of the Project Loan Facility, on the terms described in this Prospectus and the documents incorporated by reference herein, is subject to a number of risks, including, without limitation, the parties' ability to negotiate and execute final documentation, risks relating to changes in general market conditions, the condition of the Company or its properties, and economic, social or political conditions in South Africa. No assurances can be given that the parties will be able to negotiate and execute final documentation or that such facility will be consummated on the timeline or on the terms described in this Prospectus and the documents incorporated by reference herein, if at all. In addition, funding under the Project Loan Facility, if consummated, is expected to be subject to certain conditions, including, without limitation, that the Company secure equity funding, and execute a concentrate off-take agreement. The Company may be unable to satisfy such conditions on favourable terms, or at all. In particular, if the Project Loan Facility is consummated, any inability of the Company or Wesizwe to fund its required equity contributions thereunder will prevent funding and utilization of such facility and may result in a default thereunder or, in the case of Wesizwe being unable to fund, the Company may be required to fund the shortfall to avoid a default under such facility. No assurances can be given that the Offering and the Project Loan Facility, if successfully completed, will provide sufficient funding to complete Phase 2 development at Project 1, or that any further required funding will be available on favourable terms, or at all.

Any failure by the Company to obtain required financing on acceptable terms could cause the Company to delay development of its material projects or could result in the Company being forced to sell some of its assets on an untimely or unfavourable basis. Any such delay or sale could have a material adverse effect on the Company's financial condition, results of operations and liquidity.

The Company has a history of losses, and it anticipates continuing to incur losses for the foreseeable future.

Apart from income for the year ended August 31, 2010 of CAN\$26.66 million, the Company has a history of losses. None of the Company's properties is currently in production, and there is no certainty that the Company will succeed in placing any of its properties into production in the near future, if at all.

The Company anticipates continued losses for the foreseeable future until it can successfully place one or more of its properties into commercial production on a profitable basis. It could be years before the Company receives any revenues from any production of metals, if ever. If the Company is unable to generate significant revenues with respect to its properties, the Company will not be able to earn profits or continue operations.

The Company may not be able to continue as a going concern.

The Company has limited financial resources and no operating revenues. The Company's ability to continue as a going concern is dependent upon, among other things, the Company establishing commercial quantities of mineral reserves on its properties and obtaining the necessary financing to develop and profitably produce such minerals or, alternatively, disposing of its interests on a profitable basis. Any unexpected costs, problems or delays could severely impact the Company's ability to continue exploration and development activities. Should the Company be unable to continue as a going concern, realization of assets and settlement of liabilities in other than the normal course of business may be at amounts materially different than the Company's estimates. The amounts attributed to the Company's exploration properties in its financial statements represent acquisition and exploration costs and should not be taken to represent realizable value.

Most of the Company's properties contain no known mineral reserves.

Other than the Project 1 platinum mine, all of the Company's properties are in the exploration stage, meaning that the Company has not determined whether such properties contain mineral reserves that are economically recoverable. The Company may never discover metals in commercially exploitable quantities at these properties. Failure to discover economically recoverable reserves on a mineral property will require the Company to write-off the costs capitalized for that property in its financial statements.

Substantial additional work will be required in order to determine if any economic deposits exist on the Company's properties outside of the Project 1 platinum mine. Substantial expenditures are required to establish mineral reserves through drilling and metallurgical and other testing techniques. No assurance can be given that any level of recovery of any mineral reserves will be realized or that any identified mineral deposit will ever qualify as a commercial mineable ore body that can be legally and economically exploited.

The Company's properties, including the Project 1 platinum mine, may not be brought into a state of commercial production.

Development of mineral properties involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The commercial viability of a mineral deposit is dependent upon a number of factors which are beyond the Company's control, including the attributes of the deposit, commodity prices, government policies and regulation and environmental protection. Fluctuations in the market prices of minerals may render reserves and deposits containing relatively lower grades of mineralization uneconomic. The development of the Company's properties, including the Project 1 platinum mine, will require obtaining land use consents, permits and the construction and operation of mines, processing plants and related infrastructure. As a result, the Company is subject to all of the risks associated with establishing new mining operations, including:

the timing and cost, which can be considerable, of the construction of mining and processing facilities and related infrastructure;

the availability and cost of skilled labour and mining equipment;

the availability and cost of appropriate smelting and/or refining arrangements;

the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits;

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the availability of funds to finance construction and development activities;

potential opposition from non-governmental organizations, environmental groups or local groups which may delay or prevent development activities; and

potential increases in construction and operating costs due to changes in the cost of fuel, power, materials and supplies and foreign exchange rates.

The costs, timing and complexities of mine construction and development can be increased by the remote location of a mining property, with additional challenges related thereto, including water and power supply and other support infrastructure. For example, water resources are scarce at the Company's Waterberg Project. If the Company should decide to construct a mine at the Waterberg Project, it will have to establish sources of water and develop the infrastructure required to transport water to the project area. Similarly, the Company will need to secure a suitable location by purchase or long-term lease of surface or access rights at the Waterberg Project to establish the surface rights necessary to mine and process.

It is common in new mining operations to experience unexpected costs, problems and delays during development, construction and mine ramp-up. Accordingly, there are no assurances that the Company's properties, including the Project 1 platinum mine, will be brought into a state of commercial production.

Estimates of mineral reserves and mineral resources are based on interpretation and assumptions and are inherently imprecise.

The mineral resource and mineral reserve estimates contained in the AIF and other documents incorporated by reference have been determined and valued based on assumed future prices, cut-off grades and operating costs. However, until mineral deposits are actually mined and processed, mineral reserves and mineral resources must be considered as estimates only. Any such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Estimates can be imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. In addition, the grade and/or quantity of precious metals ultimately recovered may differ from that indicated by drilling results. There can be no assurance that precious metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. Extended declines in market prices for platinum, palladium, rhodium and gold may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Amendments to the mine plans and production profiles may be required as the amount of resources changes or upon receipt of further information during the implementation phase of the project. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition. The effect of any reductions in estimates at the Project 1 platinum mine may be exacerbated given the relatively small size of the deposit and short mine life of the project.

Actual capital costs, operating costs, production and economic returns may differ significantly from those the Company has anticipated and there are no assurances that any future development activities will result in profitable mining operations.

The capital costs to take the Company's projects into production may be significantly higher than anticipated. None of the Company's mineral properties has an operating history upon which the Company can base estimates of future operating costs. Decisions about the development of the Company's mineral properties will ultimately be based upon feasibility studies. Feasibility studies derive estimates of cash operating costs based upon, among other things:

anticipated tonnage, grades and metallurgical characteristics of the ore to be mined and processed;

anticipated recovery rates of metals from the ore;