PROPHECY PLATINUM CORP.
(AN EXPLORATION STAGE COMPANY)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

JUNE 30, 2012

(Expressed in Canadian Dollars)

CONTENTS

1. INTRODUCTION

The following discussion of the results of operations, financial condition and cash flows of Prophecy Platinum Corp. (formerly, Pacific Coast Nickel Corp.) ("Platinum" or the "Company") prepared as of August 27, 2012 consolidates management's review of the factors that affected the Company's financial and operating performance for the three months ended June 30, 2012 and the eight months ended March 31 2012, and factors reasonably expected to impact on future operations and results. This discussion is intended to supplement and complement the Company's unaudited condensed consolidated interim financial statements for the three months ended June 30, 2012 (prepared in accordance with International Financial Reporting Standards or "IFRS") and the eight months ended March 31 2012. Readers are encouraged to consult the 2012 Audited Financial Statements and Note 22 to those statements include a detailed explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of Platinum for the comparative periods presented. Additional information related to the Company is available at http:///www.prophecyplat.com.

Description of Business

Prophecy Platinum Corp. (formerly Pacific Coast Nickel Corp.)., incorporated in British Columbia, is a public company listed on the TSX Venture Exchange ("TSX-V") and trades under the symbol NKL. The address of the Company's corporate office and its principal place of business is 342 Water Street, 2nd Floor, Vancouver British Columbia, Canada.

The principal business of the Company is the acquisition, exploration and development of nickel-copper and platinum group metals. Prophecy Platinum's current projects comprise primarily of nickel projects located in Canada and Argentina.

In the Yukon Territory, the Company holds a 100% interest in the Wellgreen Property and a 100% interest in the Burwash Property. The Burwash Property is located 8km from the Alaska Highway and adjoins the Wellgreen Project.

In Ontario, the Company holds a 100% interest in the Shakespeare Property, an approximately 80% interest in a joint venture exploration property surrounding the Shakespeare property , as well as a 100% interest in certain nickel exploration properties, including the Fox Mountain property, the Porter-Baldwin property and the Shining Tree property.

In Manitoba, the Company is earning a 100% interest in the Lynn Lake Property, which is currently 100% owned by Victory Nickel Inc. ("Victory").

In Argentina, the Company is earning into a 70% interest in the Las Aguilas Property, which is currently 100% owned by Marifil Mines Ltd ("Marifil"). The Las Aguilas Property is located in San Luis Province, Central Argentina, approximately 730 km WNW of Buenos Aires, and 50 km NE of San Luis, the province capital.

In Uruguay, the Company incorporated a wholly-owned subsidiary, Pacific Nickel Sudamerica SA. Through this subsidiary, the Company has applied for and acquired five prospecting licenses. The Company is currently reviewing a number of future plans for the properties in Uruguay.

At June 30, 2012 and August 27, 2012, the Company had: (i) 55,518,543 and 64,880,324 common shares issued and outstanding, respectively; (ii) 6,766,250 and 8,823,250 stock options for common shares outstanding, respectively; and (iii) 1,127,000 and 3,552,701 warrants outstanding common shares.

1. INTRODUCTION (continued)

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Share Information
Common shares of Prophecy Platinum Corp. are listed for trading under the symbol "NKL", OTC-QX under symbol "PNIKF", and Frankfurt Stock Exchange under symbol "P94P".

Investor Information
All financial reports, news releases and corporate information can be accessed on our web site at www.prophecyplat.com

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As at the date of this report, the Company's Directors and Officers are as follows:

Directors	Officers
John Lee, Chairman	John Lee, Interim CEO
Mike Sylvestre	Irina Plavutska, Interim CFO
Greg Hall	Joseph Li, General Manager and Corporate Secretary
David Patterson	Robert Bruggeman, VP Corporate Development
Joseph Li	
Harald Batista	
Myron Manternach	
Wesley J. Hall	

Audit Committee	***Compensation Committee***	***Corporate Governance Committee***
Greg Hall (Chairman)	Greg Hall (Chairman)	Joseph Li
Harald Batista	John Lee	Harald Batista
David Patterson	David Patterson	David Patterson

2. DISCLOSURE CONTROLS AND PROCEDURES

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. Management has evaluated the Company's disclosure controls and procedures and internal controls over financial reporting and has concluded that they were effective at June 30, 2012. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The audit committee meets with management to review the financial statements and the MD&A, and to discuss other financial, operating and internal control matters.

The adoption of IFRS impacts the Company's presentation of financial results and accompanying disclosures. The Company has evaluated the impact of IFRS on its processes, controls and financial reporting systems and has made modifications to its control environment accordingly.

2. DISCLOSURE CONTROLS AND PROCEDURES (continued)

There have been no significant changes in the Company's internal control over financial reporting during the three months period ended June 30, 2012 that have materially affected, or are reasonably likely to materially effect, the Company's internal control over financial reporting.

The management of the Company has filed the Venture Issuer Basic Certificate with the Interim Filings on SEDAR at www.sedar.com.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing certificates for venture issuers are not making any representations relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and

- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificate(s).

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

3. FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements" within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this MD&A and the Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral resource and mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. This Interim MD&A contains forward-looking statements which reflect management's expectations regarding Prophecy Platinum's future growth for the ensuing year, our medium and long term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our belief, plans, objectives, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," and words and expressions of similar import are intended to identify forward-looking statements. In particular, statements regarding the Company's future operations, future exploration and development activities or other development plans and estimated future financing requirements contain forward-looking statements.

3. FORWARD-LOOKING STATEMENTS (continued)

Forward-looking statements include, without limitation, the information concerning possible or assumed future results of operations of Prophecy. These statements are not historical facts but instead represent only Prophecy's current beliefs as well as assumptions made by and information currently available to the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration and development activities and commitments and future opportunities. Although management considers those assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

By their very nature, forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under RISK AND UNCERTAINTIES section in this MD&A.

These factors include, but are not limited to, developments in world financial and commodity markets, changes in exploration plans due to exploration results and changing budget priorities of the Company or its joint venture partners, changes in project parameters as plans continue to be refined; possible variations in resources and reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing, the effects of competition in the markets in which the Company operates, the impact of changes in the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks and the Company's anticipation of and success in managing the foregoing risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

4. FIRST QUARTER 2013 HIGHLIGHTS AND SIGNIFICANT EVENTS

- 230,000 stock options at exercise price of $3.09 and 50,000 at $2.67 were granted to employees of the Company for a period of five years and vest 50% at the end of each year for two years.

- The Company sold all of its platinum ETFs and palladium ETFs on hand on March 31, 2012 with a cost of $2,573,627 and received proceeds of $2,473,480 for a realized loss of $100,147.

- The Company announced results of Wellgreen Preliminary Economic Assessment.

Subsequent to period-end

- On July 16, 2012, the Company completed its acquisition of URSA Major Minerals Incorporated ("URSA") (TSX: UML). The Company issued a total of 3,186,916 common shares to acquire all of the outstanding shares in URSA using an agreed share exchange ratio of one common share in the Company for each twenty five common shares in URSA. The balance of shares of URSA that were held by the Company as at March 31, 2012 (refer to Note 6 in the financial statements) were cancelled pursuant to the terms of the acquisition. On completion of the acquisition URSA delisted its shares from the TSX and became a wholly-owned subsidiary of the Company.

4. FIRST QUARTER 2013 HIGHLIGHTS AND SIGNIFICANT EVENTS (continued)

Subsequent to period-end (continued)

- The Company provided additional information relating to a preliminary economic assessment report prepared by Tetratech in respect of the Wellgreen project, and metallurgical recovery results for the Wellgreen project.

- Mr. Harald Batista, Mr. Myron Manternach, and Mr. Wesley J. Hall were appointed as directors of the Company. Mr. Robert Bruggeman was appointed as Vice President of Corporate Development.

- On July 31, 2012, the Company closed a non-brokered private placement of units and flow through shares totaling $7.25 million. 5,067,208 units were issued at a price of $1.20 per unit to generate gross proceeds of approximately $6,080,650. Each unit comprised one common share and a half share purchase warrant exercisable until July 31, 2014. Each whole warrant entitled the holder thereof to acquire one additional common share at a price of $1.50 per share in the first year and $2.00 per share in the second year. The warrants are subject to 30 day accelerated conversion if the closing price of the Company's shares on the TSX Venture Exchange is $2.80 or above for a period of 10 consecutive days. 807,655 flow through shares were issued at a price of $1.45 per share to generate gross proceeds of approximately $1,171,100. Finder's fees of 6.5% of the proceeds placed, payable in cash, were paid on portions of the placement. Proceeds of the placement will be applied to the Wellgreen project and the Company's other properties, in addition to general working capital.

- The Company concluded a cooperation and benefits agreement with Kluane First Nation to support the Company's exploration program and environmental studies for the development of its Wellgreen project in Southwestern Yukon.

- On August 7, 2012, the Company granted 1,970,000 stock options to directors, officers, employees, and consultants of the Company at exercise price of $1.16 for a period of five years, 50% of the options vest in year one and 50% in year two.

- On August 9, 2012, the Company filed Amended and Restated Wellgreen Project Preliminary Economic Assessment ("PEA") and announced the results of ongoing metallurgical testing for Wellgreen project. Metallurgical tests completed at SGS Laboratories under the direction of metallurgist Mr. Mike Ounpuu indicate separate nickel-PGE-cobalt concentrates grading up to 12.9% nickel and copper-PGE-gold concentrates grading up to 23.2% copper can be produced from Wellgreen's disseminated PGE-Ni-Cu mineralization.

- On August 15, 2012, the Company reported further results of its 2012 underground infill drill program on Wellgreen project.

- On August 16, 2012, the Company granted 87,000 stock options to an employee and a consultant of the Company at exercise price of $1.14 for a period of five years, 50% of the options vest in year one and 50% in year two.

- On August 24, 2012, the Company reported an arrangement of a non-brokered private placement of 2,500,000 units at a price of $1.20 per unit for total gross proceeds of $3 million. The entire placement was subscribed by an existing shareholder. Each Unit comprised one common share and a half share purchase warrant. Each whole warrant entitles the holder thereof to acquire one additional common share at a price of $2.00 per share for a period of two years. The warrants are subject to 30 day accelerated conversion if the closing price of the Company's shares on the TSX Venture Exchange is $2.80 or above for a period of 10 consecutive days. Finder's fees may be payable in connection with the financing in accordance with the policies of the TSX Venture Exchange. Closing of the placement is anticipated to occur on August 28, 2012.

For further information, please refer to www.prophecyplat.com.

5. OVERALL PERFORMANCE

On June 13, 2011, the Company purchased the Wellgreen and Lynn Lake properties from Prophecy Coal Corp. by a plan of arrangement (the "Arrangement"). Under the Arrangement, Prophecy Coal Corp. spun out its Wellgreen and Lynn Lake mineral properties along with $2,000,000 cash into a newly incorporated company named 0905144 BC Ltd. Prophecy Coal Corp. then transferred all the issued and outstanding 0905144 BC Ltd.'s shares to the Company in consideration for 450,000,000 (45,000,000 post consolidation) of the Company's shares.

Subsequent to the transaction, the Company changed its name to Prophecy Platinum Corp. and consolidated its share capital on a 10 old for 1 new basis.

The following is a summary of the acquisition cost allocation at the date of purchase based upon the estimated fair values of the assets acquired and liabilities assumed:

Purchase price of 45,000,000 common shares issued	$ 49,007,724
Transaction costs	126,730
Acquisition cost	$ 49,134,454
Purchase price allocation:	
Cash	$ 2,000,000
Mineral properties – Wellgreen	14,783,596
Mineral properties – Lynn Lake	32,350,858
Net assets acquired	$ 49,134,454

Acquisition of Ursa

On July 16, 2012, the Company acquired all of the issued and outstanding securities of Ursa pursuant to a court approved statutory plan of arrangement under the *Business Corporations Act* (Ontario) involving Prophecy Platinum, Ursa and its securityholders. Pursuant to the arrangement, Ursa amalgamated with a wholly owned subsidiary of Prophecy Platinum and all of the securityholders of Ursa, other than option holders, exchanged their Ursa securities for securities of Prophecy Platinum.

For each one share of Ursa held, an Ursa shareholder received 0.04 of a common share of Prophecy Platinum. Each Ursa warrant was exchanged for a warrant of Prophecy Platinum exercisable for that number of shares that is equal to the number of Ursa shares that would otherwise have been issuable thereunder multiplied by 0.04 with the exercise price of such convertible security of the Company being adjusted to equal the exercise price of the applicable Ursa warrant divided by 0.04.

On March 9, 2012, Prophecy Platinum acquired from Ursa 16,666,667 common shares at a price of $0.06 per share for aggregate proceeds of $1,000,000. All of the 16,666,667 Ursa shares held by Prophecy Platinum were cancelled without repayment of capital on July 16, 2012 as a term of the acquisition.

As a result of the Ursa Transaction, Ursa, as amalgamated, is now a wholly owned subsidiary of Prophecy Platinum and its common shares were delisted from the TSX.

Ursa holds a 100% interest in the Shakespeare Property, the Shining Tree nickel property, the Port-Baldwin property and the Fox Mountain property, all located in Ontario and further described below.

5. OVERALL PERFORMANCE

Wellgreen Nickel Property

The Wellgreen property is located approximately 35 km northwest of Burwash Landing in the Yukon, 320 km from Whitehorse, and about 400 Km from Alaska's deep sea port at Haines. The Wellgreen property is a platinum group metal (PGM)-rich, nickel (Ni)-copper (Cu) project located in the south-western Yukon Territory.

From its July 2011 independent NI 43-101 compliant resource calculation from Wardrop Engineering, a Tetra Tech Company, the Wellgreen deposit is estimated to contain a total inferred resource of 289.2 million tonnes at an average grade of 0.53 g/t platinum, 0.42 g/t palladium, 0.23 g/t gold (1.18g/t PGM+Gold), 0.38% nickel, and 0.35% copper. Separately, the deposit also contains an indicated resource of 14.3 million tonnes at an average grade of 0.99 g/t platinum, 0.74 g/t palladium, 0.52 g/t gold (2.25 g/t PGM+Gold), 0.69% nickel, and 0.69% copper. A 0.4% nickel equivalent cutoff grade was adopted for reporting. The resource estimate incorporated drill data from 701 diamond drill holes (182 surface and 519 underground) totaling over 53,222 metres. The resource includes both the East Zone and the West Zone of the Wellgreen project, which are tabulated in Table 1 showing respective metal grades which are also expressed as nickel equivalent (NiEq) values. The report is authored by Todd McCracken, P. Geo. of Wardrop Engineering Inc., a Tetra Tech Company, who is an independent Qualified Person under NI 43-101.

Wellgreen indicated and inferred resource summary:

NiEq% cutoff	Category	Zone	Tonnes	NiEq%	Pt (g/t)	Pd (g/t)	Au (g/t)	PGM+Au (g/t)	Ni (%)	Cu (%)	Co (%)
0.400	Indicated	East	14,308,000	1.36	0.99	0.74	0.52	2.25	0.69	0.62	0.05
NiEq% cutoff	**Category**	**Zone**	**Tonnes**	**NiEq%**	**Pt (g/t)**	**Pd (g/t)**	**Au (g/t)**	**PGM+Au (g/t) (g/t)**	**Ni (%)**	**Cu (%)**	**Co (%)**
0.400	Inferred	East	219,327,000	0.76	0.54	0.45	0.26	1.25	0.39	0.34	0.03
0.400	Inferred	West	69,919,000	0.67	0.50	0.34	0.12	0.96	0.34	0.38	0.02
Total inferred			**289,246,000**	**0.74**	**0.53**	**0.42**	**0.23**	**1.18**	**0.38**	**0.35**	**0.03**

Several parameters were used in calculating the reported resource:

- NiEq =((Ni%*$Ni*22.0462)+(Cu%*$Cu*22.0462)+(Co%*$Co*22.0462)+(Au grade*$Au*0.029167)+(Pt grade*$Pt*0.029167)+(Pd grade*$Pd*0.029167))/($Ni*22.0462);
- Long term average metal prices in $USD of $9.52/lb nickel (NiEq prices based on this amount), $2.96/lb copper, $15.78/lb cobalt, $1085/troy ounce gold, $1776/troy ounce platinum, $689/troy ounce palladium;
- Visual comparison of colour-coded block model grades with composite grades on section and plan;
- Comparison of the global mean block grades for ordinary kriging (OK), inverse distance squared (ID2), nearest neighbor (NN) and composites;
- Swath Plots comparing NN estimates and OK estimates;
- 701 drill hole database used compiling over 12,000 assays.

5. OVERALL PERFORMANCE (continued)

Wellgreen Nickel Property (continued)

Contained Metals at Wellgreen*

Metal	Indicated Resource	Inferred Resource
Nickel (Ni)	0.22 Billion lbs.	2.42 Billion lbs.
Copper (Cu)	0.20 Billioin lbs.	2.23 Billion lbs.
Cobalt (Co)	15.77 Million lbs.	191.30 Million lbs.
Platinum (Pt)	0.46 Million oz.	4.93 Million oz.
Palladium (Pd)	0.34 Million oz.	3.91 Million oz.
Gold (Au)	0.24 Million oz.	2.14 Million oz.
PGM+Gold	**1.04 Million oz.**	**10.97 Million oz.**

* Based on resource estimated at 0.4% Neq cut-off, and 100% metals recoveries.

To date, Platinum has adopted a 0.4% nickel equivalent cut-off pending further work on the economics regarding the deposit. Recently the Company announced results from its Preliminary Economic Assessment ("PEA") where a new cutoff was determined. The resource under this scheme is summarized within the reported results of the PEA announced in the Company's June 18, 2012 press release, and reviewed later in the Wellgreen Nickel Property section of this MD&A. Additional payable metals such as rhodium, iridium, osmium and ruthenium are not figured into the current resource estimate.

Resource numbers at their various cut-off values are tabulated on a zone-by-zone basis (i.e. East Zone and West Zone) the reader can find on the Prophecy Platinum website at http://www.prophecyplat.com.

On May 10, 2012 the Company announced initial results of its ongoing metallurgical testing. A total of 41 rougher and cleaner tests, and 4 locked cycle flotation tests were conducted and completed at SGS Laboratories in Vancouver, British Columbia. Results ("LCT-3") indicate that a bulk concentrate of 5.6% nickel, 6.0% copper, 3.5 g/t platinum, 6.3 g/t palladium and 0.5 g/t gold can be produced. These results represent recoveries of 68% nickel, 88% copper, 46% platinum, 73% palladium and 59% gold. LCT-3 results are in the following table:

Product	Weight	Assays, (Cu, Ni, Pt, Pd, Au g/t)					% Recovery				
	%	%Cu	%Ni	g/t Pt	g/t Pd	g/t Au	Cu	Ni	Pt	Pd	Au
LCT-3 CONCENTRATE	5.36	6.01	5.66	3.57	6.22	0.48	87.8	67.6	46.0	72.9	58.9

The LCT-3 tests focused on metal recovery from Wellgreen's mineralization of typical representative grade, an additional test ("LCT-4") was conducted using material with a higher calculated head feed grade of 0.83% nickel, 0.55% copper, 0.57 g/t platinum, 0.57 g/t palladium, and 0.08 g/t Au. LCT-4 produced a concentrate containing 8.2% nickel, 6.5% copper, 2.9 g/t platinum, 5.6 g/t palladium and 0.6 g/t gold. These results represent recoveries of 73% nickel, 88% copper, 38% platinum, 73% palladium, and 62% gold. LCT-4 results are in the following table:

Product	Weight	Assays, (Cu, Ni, Pt, Pd, Au g/t)					% Recovery				
	%	%Cu	%Ni	g/t Pt	g/t Pd	g/t Au	Cu	Ni	Pt	Pd	Au
LCT-4 CONCENTRATE	7.42	6.48	8.15	2.89	5.59	0.64	88.0	72.9	37.7	72.6	62.2

A 150 kg composite blend of the prevalent host-mineralized rocks was crushed to a -10 mesh size and used as the sample for testing. A calculated head feed grade of 0.45% nickel, 0.35% copper, 0.42 g/t platinum, and 0.46 g/t palladium was tested for LCT-3. Conventional flotation conditions were used to produce a concentrate with emphasis on base metal recoveries from locked-cycle testing. The 41 batch tests were designed to test different flowsheet and reagent combinations. Conditions for the reported test LCT-3 include Xanthate, CMC, guar gum and $CuSO_4$. Test conditions for LCT-4 utilized the same reagents as LCT-3 except for the exclusion of $CuSO_4$. LCT-3 and LCT-4 demonstrate that metals can be recovered from varied Wellgreen mineralization through substantially identical flowsheets and common reagents.

5. OVERALL PERFORMANCE (continued)

Wellgreen Nickel Property (continued)

In January 2012, the Company announced the commencement of a 9,000 meter underground diamond drilling program that will launch an infill program for the existing resource as released in July 2011, and summarized above. The company outlined its strategy to complete 20,000 meters of drilling in 2012, with a combined surface and underground program. This program will be aimed at upgrading the current inferred resource material into a measured and indicated categorization as standardized by NI43-101. Results of the underground portion have been announced in Q2 and will continue as the program continues.

A summary of the all reported results to date are tabulated below:

BHID	From	To	Length (m)	Cu%	Ni%	Pt g/t	Pd g/t	Au g/t	PGM+Au g/t	NiEQ %
WU12-520	26.01	148.11	122.10	0.15	0.27	0.20	0.25	0.04	0.49	0.42
WU12-524	50.60	200.86	150.27	0.14	0.25	0.26	0.25	0.04	0.54	0.41
including…	71.63	92.96	21.34	0.25	0.39	0.39	0.46	0.05	0.90	0.65
WU12-525	13.72	150.27	136.55	0.13	0.25	0.20	0.20	0.04	0.44	0.40
including…	56.69	71.93	15.24	0.16	0.36	0.49	0.24	0.03	0.76	0.59
WU12-526	73.38	101.19	27.81	0.14	0.27	0.28	0.19	0.08	0.55	0.43
WU12-527	28.33	242.32	213.99	0.14	0.25	0.24	0.26	0.04	0.54	0.41
including…	40.54	62.18	21.64	0.30	0.35	0.40	0.52	0.07	0.98	0.63
WU12-531	0.00	215.19	215.19	0.17	0.26	0.26	0.24	0.05	0.54	0.43
including…	2.74	17.98	15.24	0.68	0.23	0.62	0.39	0.10	1.12	0.67
and…	37.80	60.66	22.86	0.25	0.38	0.31	0.41	0.09	0.80	0.61
WU12-532	0.00	151.49	151.49	0.12	0.26	0.22	0.24	0.05	0.50	0.40
WU12-533	0.00	129.24	129.24	0.18	0.29	0.22	0.25	0.04	0.50	0.45
including…	0.00	10.36	10.36	0.98	0.24	0.65	0.41	0.12	1.18	0.79
and…	101.80	114.00	12.19	0.18	0.44	0.25	0.38	0.04	0.66	0.63
WU12-534	0.00	117.04	117.04	0.14	0.28	0.20	0.29	0.04	0.52	0.42
including…	0.00	19.51	19.51	0.36	0.19	0.42	0.36	0.11	0.89	0.48
WU12-523	28.65	271.27	242.62	0.13	0.24	0.22	0.21	0.04	0.47	0.39
including…	37.80	88.70	50.90	0.23	0.38	0.31	0.40	0.04	0.74	0.60
and…	55.32	73.46	18.14	0.27	0.50	0.42	0.59	0.04	1.05	0.78
WU12-528	58.60	249.68	191.08	0.18	0.27	0.29	0.23	0.05	0.57	0.46
including…	163.09	188.32	25.23	0.17	0.38	0.28	0.37	0.03	0.68	0.57
WU12-529	90.68	264.57	173.89	0.13	0.18	0.22	0.16	0.06	0.45	0.32
including…	90.68	104.85	14.17	0.44	0.24	0.63	0.33	0.20	1.16	0.63
and…	223.72	264.57	40.84	0.11	0.32	0.24	0.27	0.03	0.54	0.47
WU12-536	0.00	131.06	131.06	0.09	0.25	0.15	0.19	0.03	0.37	0.36
including…	15.51	62.26	46.75	0.11	0.29	0.19	0.25	0.04	0.48	0.43
WU12-521	18.01	302.36	284.35	0.11	0.22	0.20	0.32	0.04	0.55	0.35
including…	35.66	81.38	45.72	0.27	0.29	0.33	0.32	0.07	0.72	0.52
and…	35.66	215.49	179.83	0.14	0.22	0.26	0.22	0.05	0.53	0.39
WU12-530	0.00	189.28	189.28	0.16	0.30	0.21	0.25	0.04	0.50	0.46

5. OVERALL PERFORMANCE (continued)

Wellgreen Nickel Property (continued)

including…	0.00	13.11	13.11	0.67	0.35	0.66	0.47	0.11	1.24	0.81
and…	135.03	186.84	51.82	0.13	0.35	0.20	0.26	0.03	0.49	0.49
WU12-535	0.00	94.18	94.18	0.16	0.26	0.25	0.24	0.06	0.56	0.43
including…	0.00	31.39	31.39	0.30	0.21	0.43	0.30	0.15	0.88	0.48
WU12-538	0.00	213.06	213.06	0.13	0.25	0.24	0.23	0.05	0.51	0.40
including…	0.00	92.96	92.96	0.19	0.24	0.31	0.26	0.06	0.62	0.43
WU12-539	0.00	242.01	242.01	0.20	0.28	0.27	0.29	0.04	0.60	0.47
including…	0.00	51.51	51.51	0.50	0.31	0.57	0.45	0.09	1.11	0.69
and…	0.00	17.98	17.98	0.82	0.48	0.84	0.78	0.13	1.75	1.08
and…	56.08	66.75	10.67	0.23	0.41	0.36	0.55	0.05	0.95	0.66

On June 18, 2012, the Company announced the results of an independent NI 43-101 compliant PEA. The independent PEA, prepared by Tetra Tech was supervised by Todd McCracken, P.Geo., Andrew Carter, C.Eng., Pacifico Corpuz, P.Eng., Philip Bridson, P.Eng and Wayne Stoyko, P.Eng who are the Qualified Persons, as defined under National Instrument 43-10. The PEA evaluates a base case of an open-pit mine (111,500 tonne/day mining rate), an onsite concentrator (32,000 tonne/day milling rate) and an initial capital cost of $863 million. The project is expected to produce (in concentrate) 1.959 billion pounds of nickel, 2.058 billion pounds of copper and 7.119 million ounces of platinum+palladium+gold over 37 year mine life with an average strip ratio of 2.57. The financial highlights are shown. (All amounts are in US dollars unless otherwise stated).

Table 1. Financial Highlights:

Payback Period:	6.29 years
Initial Capital Investment:	$863 million
IRR Pre-tax (100% equity):	32%
NPV Pre-tax (8% discount):	$2.4 billion
Mine Life:	37 years
Total Mill Feed:	405.3 million tonnes
Mill Throughput:	32,000 tonnes per day
Foreign Exchange:	CAD$1=US$0.9970

Commodity pricing used in the June 18, 2012 press release was obtained from the Q2, 2012 Energy and Metals Consensus Forecast (EMCF), a long-term forward consensus among 20 leading international financial institutions published by Consensus Economics. On July 25, 2012, the Company announced it had revised its base case metal pricing assumptions for the PEA from EMCF to the London Metals Exchange three year trailing average in order to be in line with pricing assumptions used by comparable issuers. The long term LME pricing method is more commonly adopted in base case studies of comparable issuers and closer to current spot metals pricing, which offers investors a more balanced view of project economics. Table 2 below provides a comparison of the EMCF assumptions used in the June 18, 2012 press release, the LME base case pricing assumptions and spot pricing.

5. OVERALL PERFORMANCE (continued)

Wellgreen Nickel Property (continued)

Table 2: Metal Prices

Commodity	Base Case LME 3 Year Trailing	LME Spot Price	EMCF in June 18 Press release	Units
Platinum	1,587.97	1,468.00	2,043.50	US$/oz
Palladium	581.28	588.00	932.00	US$/oz
Nickel	9.48	7.71	10.82	US$/lb
Copper	3.56	3.49	3.11	US$/lb
Cobalt	16.23	13.15	16.70	US$/lb
Gold	1,377.87	1,604.00	1,347.50	US$/oz

*LME three year trailing average ended July 6, 2012 and spot prices as at July 6, 2012, being the proposed effective date of the PEA.

The Company restated the financial model results from the June 18, 2012 press release to reflect the LME base case:

Table 3: Financial Model Results

	NPV @ 8% ($ million)	IRR (%)	Payback (years)
Base Case (LME 3 year trailing average) (base case)	2,396	32	4.88
LME (spot price)	1,783	26	6.29
EMCF (in June 18 Press Release)	3,044	38	3.55

A PEA should not be considered to be a pre-feasibility or feasibility study, as the economics and technical viability of the project has not been demonstrated at this time. The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Furthermore, there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserve do not have demonstrated economic viability. The Company advises that investors should rely on the new base case data. Results based on EMCF pricing assumptions are provided as a sensitivity analysis.

Further sensitivity analyses may be found in the Summary section included in the PEA report filed on August 9, 2012 on Sedar.

CAPITAL and OPERATING COSTS

The initial capital cost for the Wellgreen project is estimated at $863 million, including 25% contingency and is summarized below:

Table 4. Initial Capital Costs:

Project Execution:	$23 million
Surface Facilities	$692 million
Mine Equipment:	$148 million
Total Initial Capex:	**$863 million**

Total operating costs are estimated to be $29.74 per tonne of mill feed over the life of mine. These operating costs are based on an estimated diesel power rate of $0.28 per kWh. Liquid natural gas power option will be examined in the prefeasibility study.

5. OVERALL PERFORMANCE (continued)

Wellgreen Nickel Property (continued)

Table 5. Operating Costs:

Mining:	$9.02/tonne
Site Services:	$1.08/tonne
Milling:	$17.35/tonne
General & Administration:	$2.29/tonne
Total Operating Costs:	**$29.74/tonne**

DEVELOPMENT PLAN

The PEA study recommends development of the Wellgreen deposit as a conventional, diesel truck-shovel open pit mine. The deposit will be processed using a conventional concentrator to produce bulk Ni-Cu-PGE concentrate. The mill will have a nominal production rate of 32,000 tonnes of mill feed per day (averaged over the life of mine) with average annual stripping ratio estimated at 2.57 over the life of mine.

Over a projected mine life of 37 years, the mill will produce 1.959 billion pounds of nickel, 2.058 billion pounds of copper and 7.119 million ounces of platinum+palladium+gold in concentrate.

The average feed is graded at Ni 0.32%, Cu 0.26%, Pt 0.411 g/t, Pd 0.347 g/t, Au 0.177 g/t, & Co 0.02%.

The following flotation concentrate recoveries from May 2012 SGS Studies are adopted in the PEA:
Ni 67.60%, Cu 87.80%, Pt 46.00%, Pd 72.90%, Au 58.90%, & Co 64.40%

Once metals in concentrate are determined, the following smelting/refining recoveries are applied, together with a **25% cost factor** against gross metals recovered to account for smelting, refining, transportation, and marketing cost: Ni 90.00%, Cu 98.00%, Pt 96.00%, Pd 96.00%, Au 96.00%, & Co 90.00%.

RESOURCE ESTIMATE

At a 0.22% NiEq cut-off, the Wellgreen Project is estimated to contain an Indicated Resource of 14.4 Mt at 0.68% Ni, 0.62% Cu, and 2.23 g/t Pt+Pd+Au grade. In additional, the Wellgreen Project is estimated to contain an Inferred Resource of 446.6 Mt at 0.31% Ni, 0.25% Cu, and 0.87 g/t Pt+Pd+Au grade. The table below summarizes the results of the resource estimate constrained by an optimized open pit.

Table 6. Wellgreen Mineral Resource Summary as Highlighted in PEA:

NiEq Cut-off (%)	Category Zone	Tonnes	NiEq (%)	Ni (%)	Cu (%)	Co (%)	Au (g/t)	Pt (g/t)	Pd (g/t)
0.22	Indicated Pitshell	14,432,900	1.4	0.68	0.62	0.05	0.51	0.99	0.73
0.22	Inferred Pitshell	446,649,000	0.6	0.31	0.25	0.02	0.16	0.38	0.33

On August 9, 2012, the Company announced the results of ongoing metallurgical testing for Wellgreen. Metallurgical tests completed at SGS Laboratories under the direction of metallurgist Mr. Mike Ounpuu indicate separate nickel-PGE-cobalt concentrates grading up to 12.9% nickel and copper-PGE-gold concentrates grading up to 23.2% copper can be produced from Wellgreen's disseminated PGE-Ni-Cu mineralization.

Locked-cycle test results (LCT-1) successfully produced a nickel-PGE-cobalt concentrate grading 12.9% Ni 13.7g/t PGE and 0.76% cobalt, and a copper-PGE-gold concentrate grading 23.2% Cu with 7.0g/t PGE and 1.4g/t Au. Tabulated concentrate grades for LCT-1 and LCT-5 are shown in Table 7 and Table 8 respectively.

5. OVERALL PERFORMANCE (continued)

Wellgreen Nickel Property (continued)

Table 7. LCT-1 Separate Concentrate Grade Results

Product	Weight %	Cu%	Ni%	Co%	Pt g/t	Pd g/t	Au g/t
Cu Concentrate	1.00	23.2	0.88	0.05	2.16	4.83	1.44
Ni Concentrate	2.26	2.69	12.9	0.76	3.84	9.84	0.34

Table 8. LCT-5 Separate Concentrate Grade Results

Product	Weight %	Cu%	Ni%	Pt g/t	Pd g/t	Au g/t
Cu Concentrate	1.52	19.1	1.37	2.51	6.06	1.41
Ni Concentrate	3.46	1.32	9.11	4.56	7.77	0.33

Following Table 9 and Table 10 indicate the overall metals recoveries

Table 9. LCT-1 Recoveries To Concentrate In %

	% Recovery					
Product	**Cu**	**Ni**	**Co**	**Pt**	**Pd**	**Au**
Cu Concentrate	68.2	1.8	1.5	4.9	11.0	31.2
Ni Concentrate	18.0	60.9	58.8	19.7	51.1	16.9
Total	86.2	62.8	60.3	24.6	62.1	48.1

Table 10. LCT-5 Recoveries To Concentrate In %

	% Recovery				
Product	**Cu**	**Ni**	**Pt**	**Pd**	**Au**
Cu Concentrate	74.1	4.2	8.3	17.8	31.5
Ni Concentrate	11.8	61.5	35.6	52.1	34.8
Total	85.9	65.7	43.8	69.8	66.3

** In order to meet report deadline, LCT-5 assays did not include cobalt. These results conclude the first phase of an extensive metallurgical program commenced in late 2011 and show it is now possible to produce separate Ni-PGE-Co and Cu-PGE-Au concentrates from disseminated sulphide-bearing, ultramafic mineralized rocks that comprise the bulk of Wellgreen's National Instrument 43-101 resource.*

Tests were conducted and completed at SGS Laboratories in Vancouver, British Columbia. A 150 kg submitted composite blend of the prevalent host-mineralized rocks was crushed to a -10 mesh size and used as the sample for testing. A calculated head feed grade of 0.48% nickel, 0.34% copper, 0.44 g/t platinum, and 0.44 g/t palladium was tested. Conventional flotation conditions were used to produce a concentrate with emphasis on base metal recoveries from locked-cycle testing.

5. OVERALL PERFORMANCE (continued)

Wellgreen Nickel Property (continued)

Conditions for the reported test include Xanthate, CMC, guar gum and CuSO4. Conceptually, the metallurgical flowsheet involved preliminary flotation of copper-rich concentrates using primary reagents followed by secondary flotation of nickel using with a reagent combination suitable to optimize flotation of Ni-rich products.

The recently completed Preliminary Economic Assessment ("PEA") was based on the assumption of Wellgreen project producing a bulk concentrate. In addition to discounting the standard smelting recoveries in the financial model, a further 25% smelter cost factor was applied to account for the bulk concentrate option. The results reported today indicate the 25% cost factor is likely conservative in light of the added marketability of separate concentrates. This may reduce the downstream costs, and enhance the economics of the Wellgreen project.

Wellgreen PEA by Wardrop and the full Metallurgical test report (with flowsheets and QEMSCAN) by SGS have both been filed on SEDAR and available via the Company's website at www.prophecyplat.com

Danniel Oosterman, P. Geo., a consultant of the Company, is the Qualified Person under National Instrument 43-101 who has approved the technical content above.

At June 30, 2012, the Company had incurred a total of $6,462,231 in exploration costs on the Wellgreen property.

Burwash Property

The Burwash property is located immediately east of the Wellgreen project, known to host extensive nickel-copper-platinum group metal (PGM) mineralization.

On August 4, 2011, the Company entered into a purchase agreement with Strategic Metals Ltd. ("Strategic") to acquire a 100% working interest in the Burwash in consideration for $1,000,000 in cash payable on August 31, 2011 (paid). This purchase agreement replaces agreements dated May 14, 2008 as amended December 2, 2008, February 23, 2010, and April 1, 2011 previously entered into with Strategic.

At June 30, 2012, the Company incurred $772,874 in exploration costs on the Burwash property.

The Company will conduct future exploration work on the property in conjunction with the Wellgreen property which adjoins the Burwash property. Historical assay results are available on the Company's website.

Lynn Lake Nickel Property

From an updated resource estimate released in April 2011, Lynn Lake has 22.9 million tons of measured and indicated resources grading 0.57% nickel or 263 million pounds of in-situ nickel as well as 8.1 million tons inferred resources grading 0.51% nickel which contains an additional 81.6 million pounds of in-situ nickel. In addition, the updated resource estimated stated that the resource contained measured and indicated resources grading 0.30% copper or 138 million pounds of in-situ copper plus inferred resources grading 0.28% copper or 45.6 million pounds of in-situ copper.

5. OVERALL PERFORMANCE (continued)

Lynn Lake Nickel Property (continued)

Measured and indicated resources at Lynn Lake are categorized in the following table:

Zone	Category	NiEq Cutoff	Tones	Nickel%	Copper%	NiEq%	Ni (lbs)	Cu (lbs)
N	Measured	>= 0.4	461,496	0.84	0.41	1.05	7,753,133	3,784,267
O	Measured	>= 0.4	556,062	0.7	0.32	0.87	7,784,868	3,558,797
Total	*Measured*	*>= 0.4*	*1,017,558*	*0.76*	*0.36*	*0.95*	*15,538,001*	*7,343,064*
N	Indicated	>= 0.4	12,680,895	0.56	0.31	0.71	142,026,024	78,621,549
O	Indicated	>= 0.4	9,203,226	0.57	0.28	0.71	104,916,776	51,538,066
Total	*Indicated*	*>= 0.4*	*21,884,121*	*0.56*	*0.3*	*0.71*	*246,942,800*	*130,159,615*
Totals	**Measured +Indicated**	**>= 0.4**	**22,901,679**	**0.57**	**0.3**	**0.72**	**262,480,801**	**137,502,679**

A 1,500 meter drill hole program was conducted in September and October of 2011 testing some existing induced polarization (IP) geophysical anomalies. Modest intercepts of mineralization were encountered including 0.3% nickel and 0.2% copper over 11.4 meters on hole NKL11-003, and 0.03% nickel and 1.3% copper for 3.7 meters on hole NKL-004, explaining the occurrence of the 'North Anomaly' which remains open with increasing chargeability with lower associated resistivities with depth.

The Company received final results for its metallurgical study on the amenability Lynn Lake mineralization to the bioleach process, achieving nickel extractions in excess of 95% using a moderate grind and leach temperature, whereas high copper recoveries generally require finer grinding and higher temperatures. The study was completed by Mintek in South Africa and overseen by Andy Carter, Manager of Metallurgical Engineering for Tetra Tech Inc.

Danniel Oosterman, P. Geo., a consultant of the Company, is the Qualified Person under National Instrument 43-101 who has approved the technical content above.

On October 20, 2009, Prophecy Holdings entered into an option agreement with Victory Nickel. Pursuant to the option agreement, Platinum has the right to earn a 100% interest in Lynn Lake by paying Victory Nickel an aggregate of $4,000,000 over approximately four and one-half years and by incurring an aggregate of $3,000,000 exploration expenditures at Lynn Lake over a three-year period, and by issuing of 2,419,548 shares to Victory Nickel (issued). The option agreement also provided Victory Nickel with a right to participate in future financings or acquisitions on a pro-rata basis so that Victory Nickel may maintain its 10% interest in the number of outstanding shares of the Company. On August 3, the Company signed a Settlement Agreement with Victory to provide for one time cash payment of $450,000 (paid) in full settlement of the Company's obligation to incur the remaining balance of exploration expenditures $1,188,877 pursuant to the option agreement on or before November 1, 2012. In consideration for this payment, Victory completely releases and forever discharges the Company from any obligations.

5. OVERALL PERFORMANCE (continued)

Lynn Lake Nickel Property (continued)

Pursuant to the option agreement, the schedule of cash payments to Victory Nickel is as follows:

- $300,000 within five business days after the approval from the TSX Venture Exchange (paid);
- $300,000 on January 9, 2010 (paid);
- $400,000 within 180 days of the option agreement (paid);
- $1,000,000 on or before March 1, 2011 (paid);
- $1,000,000 on or before March 1, 2012 (paid); and
- $1,000,000 on or before March 1, 2013.

The schedule of expenditures to be incurred at Lynn Lake is as follows:

- $500,000 on or before November 1, 2010 (incurred);
- an aggregate of $1,500,000 on or before November 1, 2011 (incurred); and
- $450,000 in cash (paid on August 3, 2012) as per the settlement agreement.

At June 30, 2012, the Company incurred a total of $415,377 in exploration costs on the Lynn Lake property.

Las Aguilas Property

On December 10, 2010, as amended March 13, 2011 and March 21, 2012, the Company entered into a letter agreement with Marifil Mines Limited ("Marifil") with an option to acquire a 70% interest in the Las Aguilas Nickel-Copper-PGM property located in San Luis Province, Argentina. The Las Aguilas Property is located in San Luis Province, Central Argentina, approximately 730 km WNW of Buenos Aires, and 50 km NE of San Luis, the province capital.

On May 12, 2011, Prophecy Platinum released an updated NI 43-101 compliant indicated and inferred resource for the Las Aguilas property, which is summarized categorically in the table below, as documented in report by Wardrop Engineering Inc., a TetraTech company, dated April 29, 2011 entitled NI 43-101 Technical Report and Resource Estimate of the Las Aguilas Project, San Luis Province, Argentina.

Las Aguilas NI 43-101 resource calculation summary as follows:

Zone	Category	NiEq Cutoff	Tons	Nickel %	Copper %	Cobalt %	Au (ppm)	Ag (ppm)	Pt (ppm)	Pd (ppm)	NiEq %
East	Indicated	>= 0.4	1,036,800	0.52	0.35	0.03	0.09	0.53	0.19	0.19	0.77
West	Indicated	>= 0.4	2,227,000	0.36	0.45	0.03	0.03	0.29	0.15	0.19	0.62
Total	**Indicated**	**>= 0.4**	**3,263,800**	**0.41**	**0.42**	**0.03**	**0.05**	**0.37**	**0.16**	**0.19**	**0.67**
East	Inferred	>= 0.4	650,000	0.48	0.33	0.03	0.03	0.31	0.05	0.04	0.65
West	Inferred	>= 0.4	689,000	0.35	0.43	0.03	0.01	0.01	0.01	0.01	0.53
Total	**Inferred**	**>= 0.4**	**1,339,000**	**0.41**	**0.38**	**0.03**	**0.02**	**0.16**	**0.03**	**0.03**	**0.59**

Notes: Nickel price = US$9.02/lb and copper = US$2.66/lb, platinum = US$1842/oz, palladium = US$681/oz, gold = US$1058/oz, silver = US$16.57/oz. The following formulas were used in Datamine to calculate Nickel Equivalence: NiEQ=([Ni grade x $Ni)+(Cu grade x $Cu)+(Co grade x $Co)] x 20+[(Au grade x $Au)+(Ag grade X $Ag)+(Pt grade x $Pt)+(Pd grade x $Pd) x 0.0291667)]/($Nix20). A total of 79 drill holes comprising 1,815 assays were used for resource model validation. Specific gravities of 3.5 were used in this resource calculation. Block sizes of 8x8x4 meters for mineralized lodes with two minor lodes on eastern zone given 1x1x1 meter block.

5. OVERALL PERFORMANCE (continued)

Las Aguilas Property (continued)

The interpolation of the East and West zones was completed using the estimation methods: nearest neighbour (NN), inverse distance squared (ID2) and ordinary kriging (OK). Validation was carried out by visual comparison of colour-coded block model grades with composite grades on section and plan, comparison of the global mean block grades for OK, ID2, NN and composites, and Swath Plots comparing NN estimates and OK estimates.

Danniel Oosterman, P. Geo., a consultant of Platinum, is the Qualified Person under National Instrument 43-101 who has approved the technical content above.

The letter agreement provided for an initial 6 month earn-in and due diligence period to allow the Company to update this resource estimate, study the economics of the resulting deposit and review other environmental and socio-economic issues that pertain to this area of Argentina.

On December 10, 2010, as amended March 13, 2011 and March 21, 2012 the Company entered into a letter agreement with Marifil Mines Limited ("Marifil") with an option to acquire up to a 70% interest in the Las Aguilas Nickel-Copper-PGM property located in San Luis Province, Argentina. The agreement with Marifil provides for payments and work commitments to earn a 49% interest in the property as follows:

Cash and shares

- $25,000 upon signing and 250,000 shares (paid and issued; 25,000 post consolidation)
- $125,000 and 250,000 shares on or before April 1, 2012 (paid and issued; 25,000 post consolidation)
- $100,000 and 250,000 shares on or before April 1, 2013 (25,000 post consolidation)
- $100,000 and 250,000 shares on or before April 1, 2014 (25,000 post consolidation)

Work Commitments

- On or before 3 months from the agreement date complete a resource estimate (completed)
- On or before November 1, 2012 incur $500,000 in exploration expenditures,
- On or before October 1, 2013 incur a further $500,000 in exploration expenditures,
- On or before July 1, 2014 incur a further and final $1,000,000 in exploration expenditures,

The agreement also provides for the Company to earn an additional 11% by preparing a pre-feasibility study on the property and issuing an aggregate of 2,000,000 shares (200,000 post consolidation) from April 1, 2014 to April 1, 2015. A further 10% can be earned by completing a feasibility study on the property, making cash payment of $100,000 and issuing an aggregate of 1,000,000 shares from April 1, 2015 to April 1, 2016.

The agreement also provides for granting of a 3% NSR to Marifil of which 0.5% can purchased for $1,000,000 and a further 0.5% of the royalty at any time upon the payment of a further $2,000,000. The Company retains the option of buying Marifil's 30% interest for $5,000,000.

At June 30, 2012, the Company incurred a total of $157,425 in exploration costs on the Las Aguilas property.

Cerro Chato, Molles North, Molles South, Quebracho and Polanco, Uruguay Property

The Company's wholly-owned incorporated subsidiary in Uruguay, Pacific Nickel Sudamerica SA, owns 5 prospecting licenses for properties in Uruguay totalling approximately 28,000 h.a. Of the 28,000 h.a., 400 h.a. from the Molles North license was forfeited in late September, 2011 as a result of it being in a cultivated forest area. The only work done on the 400 h.a. was BRGM regional geochemical sampling and there were no anomalies noted. The Company has no future obligations or expenditures requirements related to the Uruguayan properties. The Company is currently reviewing a number of future plans for the properties and will disclose such plans once they have been determined.

At June 30, 2012, the Company incurred a total of $726,250 in exploration costs on the Uruguayan property.

5. OVERALL PERFORMANCE (continued)

URSA's Properties:

On July 16, 2012, the Company acquired URSA Major Minerals Inc. URSA holds a 100% interest in the Shakespeare Property, the Shining Tree nickel property, the Port-Baldwin property and the Fox Mountain property, all located in Ontario and further described below.

Shakespeare Nickel Mine

The Shakespeare Nickel Mine ("Shakespeare") is located 70 km west of Sudbury, Ontario. URSA acquired the Shakespeare property from Xstrata Nickel ("Xstrata") in 2000. URSA holds a 100% beneficial interest in the Shakespeare project area which contains all of the Shakespeare reserves and resources and is subject to a 1.5% royalty in favour of Xstrata. The Shakespeare project area is partially surrounded by an exploration property that was the basis of a joint venture between URSA Major and Xstrata with URSA Major as the project operator. URSA holds an approximately 81% beneficial interest in the joint venture area.

URSA completed a positive feasibility study on a 4,500 t/d open pit mining operation and on- site processing plant. The Shakespeare property has a diluted probable mineral reserve of 11,828,000 tonnes grading 0.33% nickel, 0.35% copper, 0.02% cobalt, 0.33 g/t platinum, 0.36 g/t palladium and 0.18 g/t gold. URSA permitted an open-pit mine and 4,500 t/d concentrator at the Shakespeare property.

The Company declared commercial production on May 27, 2010 and was in production until January 27, 2012. In 2010 and 2011, through contract mining, URSA trucked and delivered a total of over 360,000 tonnes of ore to the Sudbury's Strathcona Mill for processing. Total revenue generated was over $20,000,000.

On February 3, 2012, URSA announced it had temporarily suspended operations at the Shakespeare Property following the expiration on December 31, 2011, of the milling agreement with Xstrata Nickel and the Company was not able to conclude a new processing agreement for its Shakespeare ore.

Review of Exploration and Development Activities

In December 2010, URSA initiated a drill program to test the down plunge extension of the Shakespeare East deposit. An immediate goal of the program is to expand the size of the Shakespeare East Deposit and assess the potential of underground production from this section of the Deposit. During the three months May 1, 2011 to July 31, 2011, URSA Major completed eleven (11) holes for a total of approximately 6,000 meters drilling at the Shakespeare East deposit consisting of both infill and step out drilling. This drilling has been successful in extending the strike length and down plunge extent of the Shakespeare deposit. A highlight of the program reported in on July 20, 2011, is hole U3-122 that intersected 5.19 metres grading 0.81% nickel, 0.48% copper, 0.03% cobalt and 1.20 g/t precious metals which is one of the highest grade intersections reported to date at Shakespeare. The higher-grade intersection in drill hole U3-122 is located in a wider 23.67 meter interval grading 0.55% nickel, 0.36% copper, 0.02% cobalt and 0.92 g/t precious metals. Further released results, included U3-116 that intersected 9.0 meters grading 0.38% nickel, 0.53% copper and 1.2 g/t PGM plus gold and U3-119 intersected 6.0 meters grading 0.40 nickel, 0.58% copper and 1.3 g/t PGM plus gold. These drilling results will be incorporated into a revised NI 43-101 resource estimate later the 2013 fiscal year.

Water treatment and monitoring was carried out. The Company continues to carry out surface and groundwater sampling as part of on-going site monitoring activities.

5. OVERALL PERFORMANCE (continued)

Shakespeare Nickel Mine (continued)

Due to the proposed transaction with Prophecy, URSA revalued the mineral properties during the financial year ended January 31, 2012, by recording an impairment charge of $5,919,796. The impairment was pro-rated over all properties and an impairment write down of $4,754,032 was recorded against the Shakespeare Property.

An updated Shakespeare feasibility study completed in 2008 by Micon International Limited ("Micon"), evaluated the base case of an open pit mine and a 4,500 tonne/day on-site concentrator. In Micon's opinion, the "Shakespeare project contains an economic mineral reserve and is worthy of continued development through detailed engineering and construction to produce 4,500 t/d of ore and subsequent concentrate for sale". At projected metal prices including nickel at an average of US$9.37/lb, the project is projected to yield an after tax internal rate of return ("IRR") of 22.6% (29.1% pre-tax IRR) on an initial total capital cost of C$148,193,000. Net smelter revenue ("NSR") is $58.89/tonne and totals C$696,331,000 for the project. Total operating cost is C$26.64/tonne milled. The undiscounted total annual cash flow ("NPV") is C$169,581,000 and the NPV discounted at 8% is C$73,297,000. The project has a 7.2 year mine production life. The economic analysis makes the assumption of a reversion of metal prices from current levels to their 10-year historical median Canadian dollar prices, expressed in 2007 terms. Current price levels are assumed to regress exponentially toward the median, with a 'decay' half-life of three years.

The resulting average prices over the life of the project, expressed in 2007 dollars, are nickel US$9.37/lb, copper US$2.11/lb, cobalt US$27.57/lb, platinum US$995.52/ounce, palladium US$342.49/ounce, gold US$563.27/ounce. The base exchange rate for the economic analysis is taken from the average of over nine months of 2007, for a rate of C$1 = US$0.9052.

The feasibility study update has defined a diluted Probable Reserve of 11,828,000 tonnes grading 0.33% nickel, 0.35% copper, 0.02% cobalt, 0.33 g/t platinum, 0.36 g/t palladium and 0.18 g/t gold. The mineral reserve is to a maximum depth of 250 metres below surface and was determined by applying a C$12.84/tonne NSR internal cut-off value which is derived from the sum of the milling and G&A costs. The reserve is based on an Indicated Resource (undiluted) of 12,430,000 tonnes grading 0.35% nickel, 0.37% copper, 0.02% cobalt, 0.35 g/t platinum and 0.39 g/t palladium and 0.20 g/t gold. This Indicated Resource is contained within an optimized pit shell with an NSR cut-off above C$24.23. An additional Indicated Resource of 1,830,000 tonnes grading 0.37% nickel, 0.41% copper, 0.03% cobalt, 0.36 g/t platinum, 0.39 g/t palladium and 0.22 g/t gold at an NSR cut-off of C$50/tonne is located outside of the pit shell. The majority of the Indicated Resource is down plunge to the east of the pit shell.

Mr. Terrence Hennessey, P.Geo., of Micon is the qualified person for the resource estimate. Mr. Eugene Puritch, P.Eng., of P&E Mining Consultants Inc. is the qualified person for the reserve estimate. Mr. Ian Ward, P.Eng., of Micon is the qualified person for the feasibility study.

The Shakespeare Nickel Mine has all permits including a Permit to Take Water, Certificate of Approval for noise and air emissions, and a Certificate of Approval for the Shakespeare Nickel Mine and Mill co-disposal facility and sedimentation pond for water treatment. The Company also received acceptance of a certified Closure Plan for the Shakespeare Mine and Mill Project from the Ontario Ministry of Northern Development and Mines ("MNDM") in 2007. The Company also has received a permit from the Ontario Ministry of Natural Resources ("MNR") for the operation of a gravel pit located approximately 3 km north of the Shakespeare nickel-copper project, in the Sudbury area of Ontario.

In August 2009, URSA signed an Impacts and Benefits Agreement ("IBA") with Sagamok Anishnawbek First Nation ("Sagamok"). The IBA is the first such agreement to be entered into by either Sagamok or URSA Major, and one of only a few in the Sudbury mining camp.

In addition to custom milling of Shakespeare ore at the Strathcona Mill, URSA has an agreement with Xstrata that provides terms for the smelting of URSA Major's concentrates for a period of seven years.

5. OVERALL PERFORMANCE (continued)

Shakespeare Nickel Mine (continued)

Reserve and Resource Estimates

Shakespeare Nickel-Copper Deposit Reserves (as of June 30, 2007):*

Reserve Category	Tonnes	%Ni	%Cu	%Co	g/t Au	g/t Pt	g/t Pd
Probable Reserve	11,828,000	0.33	0.35	0.02	0.18	0.33	0.36

*These reserves have been depleted by approximately 487,000 tonnes to April 30, 2012.

Additional Shakespeare Nickel Copper Deposit Resources outside of pit shell:

Resource Category	Tonnes	% Ni	% Cu	% Co	g/t Au	g/t Pt	g/t Pd
Indicated							
East	1,763,000	0.37	0.41	0.03	0.219	0.363	0.388
West	69,000	0.35	0.43	0.02	0.176	0.327	0.361
Total	**1,832,000**	**0.37**	**0.41**	**0.03**	**0.218**	**0.361**	**0.387**
Inferred							
East	716,000	0.38	0.39	0.03	0.181	0.317	0.334
West	20,000	0.31	0.35	0.02	0.157	0.283	0.317
Total	**736,000**	**0.37**	**0.39**	**0.03**	**0.180**	**0.316**	**0.333**

The reserve is based on an Indicated Resource (undiluted) of 12,430,000 tonnes grading 0.35% nickel, 0.37% copper, 0.02% cobalt, 0.35 g/t platinum and 0.39 g/t palladium and 0.20 g/t gold contained within an optimized pit shell with an NSR cut off above C$24.23. The Probable Reserve, which is diluted for mining, is to a maximum depth of 250 metres below surface and was determined by applying a C$12.84/tonne NSR internal cut-off value which is the sum of the mill processing and G&A costs. The feasibility economic analysis which defines the reserve makes the conservative assumption of a reversion of metal prices to their 10-year historical median Canadian dollar prices, expressed in 2007 terms.

Current price levels are assumed to regress exponentially toward the median, with a 'decay' half-life of three years. The resulting average prices over the life of the project, expressed in 2007 dollars, are nickel US$9.37/lb, copper US$2.11/lb, cobalt US$27.57/lb, platinum US$995.52/ounce, palladium US$342.49/ounce, gold US$563.27/ounce. The base exchange rate for the economic analysis is taken from the average of over nine (9) months of 2007, for a US$/C$ rate of 0.9052. The NSR model uses smelting and refining costs in URSA Major's agreement with Xstrata Nickel. Mr. Terrence Hennessey, P.Geo., of Micon and Mr. Eugene Puritch, of P&E Mining Consultants Inc. are the qualified persons for the resource and reserve estimates and Mr. Ian Ward, P.Eng., of Micon is the qualified person under National Instrument 43-101 for the feasibility study.

5. OVERALL PERFORMANCE (continued)

Porter Baldwin Property (including the Porter Option)

URSA Major's 100%-owned Porter Baldwin Property comprises certain claims (38,650 acres) that cover a 15 km strike length extending from the Shakespeare deposit towards the Sudbury intrusive complex. During 2004, URSA Major conducted geological mapping, geophysical surveys including a MEGATEM airborne electromagnetic ("EM") survey and diamond drilling on the Porter Baldwin Property. This exploration demonstrated that rocks with similar characteristics and style of mineralization to the Shakespeare deposit are present on the property. Drilling in early 2005 intersected minor sulphide mineralization on the property at the same stratigraphic position as the Shakespeare deposit. The results provide evidence of a magmatic sulphide target of regional extent.

Due to the proposed transaction with Prophecy, URSA revalued the mineral properties during the financial year ended January 31, 2012, by recording an impairment charge of $5,919,796. The impairment was pro-rated over all properties and an impairment write down of $472,556 was recorded against the Porter Baldwin Property.

Shining Tree Nickel Project

URSA has a 100% interest in a nickel-copper deposit located near Shining Tree, Ontario. The Shining Tree Property is located in Fawcett Township, 110 km north of Sudbury, Ontario and consists of certain claims covering an area of approximately 1,600 acres. The property has an Indicated Resource of 1.02 million tonnes grading 0.71% nickel, 0.36% copper plus an Inferred Resource of 1.49 million tonnes grading 0.67% nickel and 0.36% copper at a cut off value of 0.30% nickel equivalent. Mr. Robert Carter, P.Eng., of Wardrop Engineering Inc. supervised the resource estimate and is the Qualified Person under National Instrument 43-101.

Micon has completed a preliminary technical and economic analysis that evaluated a 1,000 tonne/day open pit operation at Shining Tree with truck haulage to the proposed Shakespeare mill. Based on operating the Shining Tree Project as a satellite to the Shakespeare project, and using metal price assumptions from the Shakespeare feasibility study, Micon identified an in-pit diluted resource of approximately 398,000 tonnes at a grade of 0.68% nickel and 0.33% copper. Preliminary metallurgical test work on the Shining Tree mineralization by SGS Lakefield Research Limited has demonstrated that the mineralization is amenable to processing using the proposed Shakespeare mill floatation circuit.

Mineral Resource Estimate

Resource Category	Tonnes	% Ni	% Cu	% Co
Indicated	1,020,000	0.71	0.36	0.02
Inferred	1,490,000	0.67	0.36	0.03

The resource estimate was performed by Wardrop Engineering Inc. ("Wardrop") and is based on eight NQ holes (total length of 976m) that were drilled by URSA Major and sixteen (16) holes by previous operators. In estimating the mineral resource, a mineralization envelope of greater than 0.30% nickel equivalent (NIEQ, where NIEQ = Ni% + Cu%/4) was interpreted. Capping was required for five (5) assays at a value of 2.50% for nickel and 1.56% copper and four (4) assays of cobalt at 0.08%.

The Indicated resource was classified based on ranges defined by variography using a minimum of two drill holes. The remaining mineralization was classified as Inferred. Mr. Rob Carter, P.Eng., of Wardrop supervised the resource estimate and is the Qualified Person under National Instrument 43-101.

Due to the proposed transaction with Prophecy, URSA revalued the mineral properties during the financial year ended January 31, 2012, by recording an impairment charge of $5,919,796. The impairment was pro-rated over all properties and an impairment write down of $359,302 was recorded against the Shinning Tree Property.

5. OVERALL PERFORMANCE (continued)

Fox Mountain

The 100%-owned Fox Mountain Property is located approximately 50 km north of Thunder Bay, within the Mid-Continent rift of Northwestern Ontario. The Property consists of certain claims covering approximately 5,600 ha. Several copper showings hosted by both intrusive rocks and sedimentary rocks of the Sibley Group suggest that Fox Mountain hosts peridotite-melagabbro intrusions, similar to the host rocks at Magma Metals Limited's ("Magma's") platinum-palladium discovery at Current Lake, 45 km north of Thunder Bay and 25 km from the property. The Fox Mountain intrusions are interpreted to be fault controlled and are related to Mid-Continent rift magmatism. Other comparables for the Fox Mountain Property include the Duluth Complex, Marathon PGM and Rio Tinto's Eagle Deposit, which are found within a similar age and geological environment. In November 2010, the Company completed airborne magnetic and EM surveys on the Fox Mountain Property.

In early 2011, URSA completed two (2) holes for a total of 513 meters of drilling at the Company's 100%-owned Fox Mountain Project, located 75 km north of Thunder Bay, Ontario, and identified a sub-horizontal four (4) to five (5) meter thick layer of massive magnetite-iron sulphide skarn mineralization within the Sibley Group sedimentary rocks. Holes U17-01 and U17-02 intersected massive magnetite with pyrite, pyrrhotite, and chalcopyrite mineralization within sub-horizontally bedded Sibley Group mudstones that are intruded by diabase and olivine gabbro. Hole U17-01 intersected 5.45 meters grading 46.1% iron, 0.073% cobalt and 0.12% copper and hole U17-02 intersected 4.31 meters of 31.9% iron with 0.071% cobalt and 0.14% copper. The skarn-type mineralization is thought to be the result of replacement of carbonate rich sedimentary rocks by metal-rich fluids related to gabbro intrusions. During the quarter ended October 31, 2011 the Company carried out prospecting and mapping programs on the Property.

Due to the proposed transaction with Prophecy, URSA revalued the mineral properties during the financial year ended January 31, 2012, by recording an impairment charge of $5,919,796. The impairment was pro-rated over all properties and an impairment write down of $88,734 was recorded against the Fox Mountain Property.

KORES Alliance

URSA has a strategic alliance with Korea Resources Corporation ("KORES") to identify and acquire significant advanced base metal exploration projects for exploration and development. KORES is a state-owned South Korean public corporation which is dedicated to advancing Korean domestic mineral resource development efforts and at the same time securing required mineral resources from abroad.

6. SUMMARY OF QUARTERLY RESULTS

The quarterly results are as follows:

	30-Jun-12 3 month ended	31-Mar-12 2 months ended	31-Jan-12 3 months ended	31-Oct-11 3 months ended
Operating expense	$ (1,149,499)	$ (1,881,038)	$ (2,224,977)	$ (3,097,484)
Net Loss before other items	(1,149,499)	(1,881,038)	(2,224,977)	(3,097,484)
Net Loss per share basic and diluted	(0.02)	(0.03)	(0.04)	(0.06)
Comprehensive Loss	(1,795,051)	(1,087,778)	(2,070,753)	(3,096,681)
Net Comprehensive loss per share basic and diluted	$ (0.03)	$ (0.02)	$ (0.04)	$ (0.06)

	31-Jul-11 3 months ended	30-Apr-11 3 months ended	31-Jan-11 3 months ended	31-Oct-10 3 months ended
Operating expense	$ (738,241)	$ (127,728)	$ (615,009)	$ (62,537)
Net Loss before other items	(738,241)	(127,728)	(615,009)	(62,537)
Net Loss per share basic and diluted	(0.03)	(0.02)	(0.12)	(0.01)
Comprehensive Loss	(727,531)	(119,200)	(611,920)	(46,114)
Net Comprehensive loss per share basic and diluted	$ (0.03)	$ (0.02)	$ (0.12)	$ (0.01)

During the three months ended June 30, 2012, net loss before other items and comprehensive loss was $1,149,499 and $1,795,051 respectively, compared to $1,881,038 and $1,087,778 for the two months ended March 31, 2012. The decrease in net loss before other items was due to decrease in share based payments. The increase in comprehensive loss was due to unrealized loss on marking to market of available for sale investments.

During the two months ended March 31, 2012, net loss before other items and comprehensive loss was $1,881,038 and $1,087,778 respectively, compared with $2,224,977 and $2,070,753 for the three months ended January 31, 2012. The decrease in losses compared to the three months ended January 31, 2012 period are due to decrease in share based payments and office and general expenses.

During the three months ended January 31, 2012, net loss before other items decreased by $872,507 from $3,097,484 for the three months ended October 31, 2011 to $2,224,977. The decreased net loss before other items was mainly attributed to a decrease in share-based compensation of $925,415 from $2,409,045 for the three months ended October 31, 2011 to $1,483,630 for the three months ended January 31, 2012 relating to stock incentive options granted to new employees, directors, officers and consultants of the Company. Of the $2,409,045 balance for the three months ended October 31, 2011, $1,835,927 relates to stock options granted to directors on June 20, 2011 that became fully vested on September 11, 2011. The remaining balance pertains to the vesting of stock options granted to employees, directors, officers and consultants on June 20, 2011 and August 31, 2011.

During the three months ended October 31, 2011, net loss before other items increased by $2,359,243 from $738,241 for the three months ended July 31, 2011 to $3,097,484 for the three months ended October 31, 2011. The increased net loss is mainly attributed to an increase in share-based compensation of $2,039,881 from $369,164 for the three months ended July 31, 2011 to $2,409,045 for the three months ended October 31, 2011 relating to stock incentive options granted to new directors, officers and consultants of the Company. Of the $2,409,045 balance, $1,835,927 relates to stock options granted to directors on June 20, 2011 that became fully vested on September 11, 2011. The remaining balance pertains to the vesting of stock options granted to employees, directors, officers and consultants on June 20, 2011 and August 31, 2011.

7. DISCUSSION OF OPERATIONS

Three months ended June 30, 2012 compared to the three months ended July 31, 2011

For the three months ended June 30, 2012, the Company incurred a net loss of $1,317,822 or $0.02 per share compared to a net loss of $727,531 or $0.03 per share in the prior year. The overall increase (by $ 590,291) in the net loss as compared to last year was mainly due to the factors discussed below:

i) Business development and promotion expense increased to $331,125 from $130,708. This relates to the purchase of the Wellgreen and Lynn Lake properties through the Plan of Arrangement which has resulted in the need to further promote the Company's business activities (i.e. conferences, trade shows, publications, radio/TV interviews, and the hiring of new investor relation employees.

ii) Consulting fees expense increased to $150,637 from $93,514. Consulting fees include fees charged by officers of the Company. The increase was due primarily to increased services required for the management of the exploration program of the Wellgreen project.

iii) Office and miscellaneous expense increased to $122,556 from $23,265 as a result of an overall increase in business operations. On August 1, 2011, the Company entered into a Service Agreement with a related company whereby the related company will provide commercial office space, information technology and accounting services to the Company for $28,000 per month. On January 1, 2012, the terms of the Service Agreement were modified whereby the monthly payment for shared office fees is increased from $28,000 to $40,000 to accommodate increased expenditures as a result of an overall increase in business operations. Travel also increased due to the increased promotional activities of the Company.

iv) Salaries and wages increased to $119,330 from $19,087 due to new employees hired as a result of an overall increase in business operations.

v) Professional fees increased to $124,340 from $101,092 as a result of additional legal fees incurred from various matters related to support of corporate governance and the higher level of business development activities of the Company.

vi) Foreign exchange loss increased to $11,665 from $1,185. This loss related to the general decrease in the strength of the foreign currencies.

vii) Insurance expense increased to $9,092 from $Nil due to new insurance coverage that reduces the Company's legal risk and exposure.

viii) The Company incurred a loss on the sale of its platinum ETFs and palladium ETFs of $100,147.

8. LIQUIDITY AND CAPITAL RESOURCES

Working Capital

The Company ended three months at June 30, 2012 with $1,201,002 (March 31, 2012 - $582,139) in cash and cash equivalents and working capital of $1,450,170 (March 31, 2012 - $3,047,048). All of the Company's cash equivalents are on deposit with Canadian banks and brokerage houses.

The Company sold all of its platinum ETFs and palladium ETFs on hand on March 31, 2012 with a cost of $2,564,157 and received proceeds of $2,473,480 for a realized loss of $100,147. The balance of shares of URSA that were held by the Company as at March 31, 2012 was cancelled pursuant to the terms of the acquisition.

The Company has also financed its operations to date through the issuance of common shares. On July 31, 2012, the Company closed a non-brokered private placement of units ("Unit") and flow through shares ("FT Share") totaling $7.25 million. There were 5,067,208 Units issued at a price of $1.20 per Unit to generate gross proceeds of approximately $6,080,650 and 807,655 FT Shares were issued at a price of $1.45 per FT Share to generate gross proceeds of approximately $1,171,100. Finder's fees of 6.5% of the proceeds placed, payable in cash, were paid on portions of the placement. Proceeds of the placement will be applied to the Wellgreen project and the Company's other properties, in addition to general working capital.

For the foreseeable future as existing properties are developed and as new properties are identified the Company will continue to seek capital through the issuance of equity. Currently the Company has sufficient capital to conduct further exploration on its existing properties.

Cash Flow Highlights

		Three months ended June 30, 2012		Three months ended July 31, 2011
Cash used in operating activities	$	(1,703,289)	$	(79,413)
Cash produced by (used in) investing activities		941,491		982,765
Cash produced by (used in) financing activities		1,380,662		1,101,549
Decrease in cash for the period		618,863		2,004,901
Cash and cash equivalents, beginning of the period		582,139		837,204
Cash and cash equivalents, end of the period	$	1,201,002	$	2,842,105

Operating activities

Cash used in operating activities was $1,703,289 for the three months ended June 30, 2012 compared to $79,413 for the three month ended July 31, 2011. The increase in cash used in operating activities was mainly due to an overall increase in business development, marketing, consulting, professional fees and general operating expenditures.

Investing activities

Cash produced by investing activities was $941,491 for the three months ended June 30, 2012 compared to $982,765 for the three months ended July 31, 2011. The Company spent $1,522,519 for exploration activities related to Wellgreen property compared to $960,889 for the three months ended July 31, 2011. Additional inflow resulted from sale of available for sale investments of $2,464,010 compared to $105,779 for the three months ended July 31, 2011. There was $nil inflows/outflows related to acquisitions and exploration deposit for the three months June 30, 2012 compared to an inflow of $2,000,000 as part of the Wellgreen and Lynn Lake transaction and outflow of $162,125 for exploration deposit for the three months ended July 31, 2011.

8. LIQUIDITY AND CAPITAL RESOURCES (continued)

Financing activities

Cash inflow from financing activities was $1,380,662 for the three months ended June 30, 2012 compared to $1,101,549 for the three months ended July 31, 2011. The increase in cash from financing activities was mainly due to cash received during on private placement of $1,350,000 compared to $nil for the three months ended July 31, 2011. Proceeds received from option and warrant exercises were $60,000 compared to $707,000 for the three months ended July 31, 2011.

Contractual Commitments

Lynn Lake Property

Pursuant to the option agreement, the remaining payments to Victory Nickel and work commitments are as follows:

- Cash payment of $1,000,000 on or before March 1, 2013.

Las Aguilas, Argentina

Pursuant to agreement with Marifil the remaining payments and work commitments are as follows.

Cash and shares
- $100,000 and 250,000 shares on or before April 1, 2013 (25,000 post consolidation)
- $100,000 and 250,000 shares on or before April 1, 2014 (25,000 post consolidation)

Work Commitments
- On or before November 1, 2012 incur $500,000 in exploration expenditures;
- On or before October 1, 2013 incur $500,000 in exploration expenditures; and
- On or before July 1, 2014 incur $1,000,000 in exploration expenditures.

9. TRANSACTIONS WITH RELATED PARTIES

a) The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties as follows:

During the three months period ended June 30, 2012:

i) The Company incurred consulting fees of $69,000 (during the three months ended July 31, 2011 – $97,717). This includes:

- $45,000 (during three months ended July 31, 2011 - $30,000) paid to Linx Partners Ltd., a private company controlled by the Chairman of the Company;
- $18,000 (during three months ended July 31, 2011 - $Nil) paid to JWL Investment Corp, a private company owned by the Corporate Secretary and Director;
- $6,000 (during three months ended July 31, 2011 - $Nil) paid to Irina Plavutska, interim CFO
- $Nil (during three months ended July 31, 2011 - $6,375) paid to James Walchuck, former President and CEO.

ii) The Company incurred director fees of $9,500 (during three months ended July 31, 2011 - $1,727) to various directors of the Company

9. TRANSACTIONS WITH RELATED PARTIES (continued)

iii) The Company incurred rent expense of $120,000 (during three ended July 31, 2011 - $Nil) paid to Prophecy Coal Corp., a company with common directors and officers.

b) As at June 30, 2012, due to related parties include $1,000 (March 31, 2012 - $15,000) owing to a director for director fees (paid subsequent to period end).

The key management of the Company comprises executives and non-executive directors and senior management. The remuneration of directors and other members of key management were as follows:

		Three months ended		
		June 30, 2012		**July 31, 2011**
Remuneration and short-term benefits	$	78,500	$	99,444
Share-based payment compensation		53,546		35,000

10. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Critical accounting estimates used in the preparation of the condensed consolidated interim financial statements include determining the carrying value of exploration and evaluation projects and property and equipment, assessing the impairment of long-lived assets, determining deferred income taxes, and the valuation of share-based payments. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

Readers are encouraged to read the significant accounting policies and estimates as described in note 3 of the Company's audited consolidated financial statements for the eight months ended March 31, 2012. Note 22 to the audited consolidated financial statements provides readers with information, analyses and reconciliations of historic information from pre-transition Canadian GAAP to IFRS.

Equipment

The Company has adopted amortization policies, which, in the opinion of management, are reflective of the estimated useful lives and abandonment cost, if any, of its Equipment. The Company has not yet recorded any amounts in respect of impairment, as none of these costs have been identified.

Mineral Properties

The Company will be capitalizing costs related to the exploration and evaluation of its resource properties. The recovery of those costs will be dependent on the ability of the Company to discover and develop economic reserves and then to develop such reserves in an economic fashion. Management believes that costs capitalized in respect of its projects are not impaired and no adjustments to carrying values are required at this time.

Impairment of Long-Lived Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflow from other assets or groups of assets ("CGU"), where the recoverable amount of CGU is the greater of the CGU's fair value less costs to sell and its value in use) to which the assets belong.

10. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Impairment of Long-Lived Assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset The Company uses its best efforts to fully understand all of the aforementioned to make an informed decision based upon historical and current facts surrounding the projects. Discounted cash flow techniques often require management to make estimates and assumptions concerning reserves and expected future production revenues and expense.

Deferred Income Taxes

The Company uses the asset and liability method to account for income taxes. Deferred income taxes are recognized for the future income tax consequences attributable to differences between the carrying values of assets and liabilities and their respective income tax basis on the statement of financial position date. Deferred income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse.

Share-Based Payment

The Company uses the Black-Scholes valuation model in calculating share-based compensation expense. The model requires that estimates be made of stock price volatility, option life, dividend yield and risk free interest rate and the ensuing results could vary significantly if changes are made in these assumptions.

11. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Board of Directors, through the Audit Committee is responsible for identifying the principal risks of the company and ensuring that risk management systems are implemented. The Company manages its exposure to financial risks, including liquidity risk, foreign exchange rate risk, interest rate risk, and credit risk in accordance with its risk management framework. The Company's Board of Directors reviews the Company's policies on an ongoing basis.

Financial Instruments (see note 14 to the interim consolidated financial statements)

The following table sets forth the Company's financial assets and liabilities that are measured at fair value on a recurring basis by level within the fair value hierarchy. As at June 30, 2012, those financial assets and liabilities are classified in their entirety based on the level of input that is significant to the fair value measurement.

As at June 30, 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Fair value through profit or loss	$ 1,201,002	$ –	$ –	$ 1,201,002
Available-for-sale investments	1,334,083	–	–	1,334,083
	$ 2,535,085	$ –	$ –	$ 2,535,085

Related Risks

Credit Risk - The Company does not currently generate any revenues from sales to customers nor does it hold derivative type instruments that would require a counterparty to fulfill a contractual obligation. The Company does not have any asset-backed commercial instruments. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

11. FINANCIAL INSTRUMENTS AND RELATED RISKS (continued)

Liquidity Risk - Liquidity risk is the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flow to ensure that there is sufficient capital in order to meet short term obligations. As at June 30, 2012, the Company has cash and cash equivalents of $1,201,002 (March 31, 2012 - $582,139) and financial liabilities of $691,871 (March 31, 2012 - $368,540), which have contractual maturities of 90 days or less.

Foreign Exchange Risk - The Company has operations in Canada, Argentina and in Uruguay and undertakes transactions in various foreign currencies. The Company is therefore exposed to foreign currency risk arising from transactions denominated in a foreign currency. The Company's reporting and functional currency is Canadian dollars. Based on the above, a 5% strengthening (weakening) of the Argentine peso and Uruguayan peso will have an insignificant impact on total assets and loss. The Company holds cash denominated in USD, a 5% strengthening (weakening) of the USD will increase (decrease) total assets by approximately $13,468 Canadian dollars respectively. The Company currently does not use any foreign exchange contracts to hedge this currency risk.

Interest Rate Risk - The Company manages its interest rate risk by obtaining the best commercial deposit interest rates available in the market by the major Canadian financial institutions on its cash and cash equivalents.

Market risk - Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The sale of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is exposed to market risk in trading its investments, and unfavorable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments are accounted for at estimated fair values and are sensitive to changes in market prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

12. RISKS AND UNCERTAINTIES

An investment in the common shares of the Company involves a significant degree of risk and ought to be considered a highly speculative investment. The following is brief discussion of those factors which may have a material impact on, or constitute risk factors in respect of, the Company's future financial performance:

Exploration, Development and Production Risks - The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in Platinum's resource base.

Platinum's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

12. RISKS AND UNCERTAINTIES (continued)

Exploration, Development and Production Risks (continued)

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection.

The remoteness and restrictions on access of properties in which Platinum will have has an interest will have an adverse effect on profitability as a result of higher infrastructure costs. There are also physical risks to the exploration personnel working in the terrain in which Platinum's properties are located, often in poor climate conditions.

The long-term commercial success of Platinum depends on its ability to find, acquire, develop and commercially produce minerals. No assurance can be given that Platinum will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

Title Risks - Title to mineral properties, as well as the location of boundaries on the grounds may be disputed. Moreover, additional amounts may be required to be paid to surface right owners in connection with any mining development. At all of such properties where there are current or planned exploration activities, Platinum believes that it has either contractual, statutory, or common law rights to make such use of the surface as is reasonably necessary in connection with those activities. Although Platinum believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to its properties will not be challenged or impaired. Successful challenges to the title of Platinum's properties could impair the development of operations on those properties.

Substantial Capital Requirements - The proposed management of Platinum anticipates that it may make substantial capital expenditures for the acquisition, exploration, development and production of its properties, in the future. As Platinum will be in the exploration stage with no revenue being generated from the exploration activities on its mineral properties, Platinum may have limited ability to raise the capital necessary to undertake or complete future exploration work, including drilling programs. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Platinum. Moreover, future activities may require Platinum to alter its capitalization significantly. The inability of Platinum to access sufficient capital for its operations could have a material adverse effect on its financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause Platinum to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations.

Competition - The mining industry is highly competitive. Many of Platinum's competitors for the acquisition, exploration, production and development of minerals, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them than Platinum.

Volatility of Mineral Prices - The market price of any mineral is volatile and is affected by numerous factors that are beyond Platinum's control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, the rate of inflation, global or regional political events and international events as well as a range of other market forces. Sustained downward movements in mineral market prices could render less economic, or uneconomic, some or all of the mineral extraction and/or exploration activities to be undertaken by Platinum.

12. RISKS AND UNCERTAINTIES (continued)

Mineral Reserves / Mineral Resources - All of the properties in which Platinum will hold an interest are considered to be in the early exploration stage only and do not contain a known body of commercial minerals. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

Recent Global Financial Conditions - Recent global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of Platinum to obtain equity or debt financing in the future and, if obtained, on terms favourable to it. If these increased levels of volatility and market turmoil continue, Platinum's operations could be adversely impacted and the value and the price of the Platinum Shares could continue to be adversely affected.

Environmental Risks - All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Platinum and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Additionally, the Yukon Government is currently considering whether it will require Prophecy, and any successor issuer in title, to carry out reclamation activities or pay costs of reclamation of the historical liabilities. In August 2010, Prophecy advised the Yukon Government that it is not legally responsible or liable for the Historic Liabilities and Prophecy has received no response to date. A determination of responsibility and liability as well as an investigation of the Historic Liabilities and design of a reclamation plan would be necessary before any fiscal determination could be made of the historic liabilities and accordingly same cannot reasonably be determined at this stage. Please see "Information Concerning the Significant Assets - Wellgreen Property - Environmental Liabilities" below for more information.

12. RISKS AND UNCERTAINTIES (continued)

Foreign Operations - While Platinum's principal exploration properties will be located in Canada, it will continue to hold properties in Argentina and Uruguay. Its operations in those countries or in other countries it determines to operate in may be exposed to various levels of political, economic, and other risks and uncertainties depending on the country or countries in which it operates. These risks and uncertainties include, but are not limited to, terrorism; hostage taking; military repression; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors, or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political and economic conditions may result in a government adopting different policies with respect to foreign development and ownership of mineral resources. Any changes in policy may result in changes in laws affecting ownership of assets, foreign investment, taxation, rates of exchange, resource sales, environmental protection, labour relations, price controls, repatriation of income, and return of capital, which may affect both the ability of Platinum to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop, and operate those properties to which it has rights relating to exploration, development, and operations.

Property Interests - The agreements pursuant to which Platinum will hold its rights to certain of its properties, including the Lynn Lake Property, provided that Platinum must make a series of cash payments over certain time periods or make minimum exploration expenditures. If Platinum fails to make such payments or expenditures in a timely manner, Platinum may lose its interest in those projects.

Reliance on Key Employees - The success of Platinum will be largely dependent upon the performance of its management and key employees. In assessing the risk of an investment in the Platinum Shares, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the proposed management of Platinum. Platinum will not maintain life insurance policies in respect of its key personnel. Platinum could be adversely affected if such individuals do not remain with the Issuer.

Conflicts of Interest - Certain of the directors and officers of Platinum will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of Platinum may become subject to conflicts of interest. The BCBCA provides that if a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and must refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Dividends - To date, Prophecy has not paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of Platinum will be made by its board of directors on the basis of its earnings, financial requirements and other conditions.

Permits and Licenses - The activities of Platinum are subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters, including issues affecting local native populations. Although Platinum believes its activities are carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of Platinum. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of Platinum's investments in such projects may decline.

12. RISKS AND UNCERTAINTIES (continued)

Potential Volatility of Share Price - In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many junior companies have experienced wide fluctuations in price. The market price of the Company's shares may be volatile and could be subject to wide fluctuations due to a number of factors, including but not limited to: actual or anticipated fluctuations in the Company's results of operations; changes in estimates of the Resulting Issuer's future results of operations by management or securities analysts; and general industry changes. In addition, the financial markets have in the past experienced significant price and value fluctuations that have particularly affected the market prices of equity securities of many venture issuers and that sometimes have been unrelated to the operating performance of these companies. Broad market fluctuations, as well as economic conditions generally and in the solar installation industry specifically, may adversely affect the market price of the Company's shares.

Currency Fluctuations - Platinum will maintain its accounts in Canadian dollars. Platinum's operations in Argentina and Uruguay will make it subject to foreign currency fluctuations and such fluctuations may materially affect its financial position and results. Platinum does not plan to engage in currency hedging activities.

Uninsured Risks - Platinum, as a participant in mining and exploration activities, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. Furthermore, Platinum may incur a liability to third parties (in excess of any insurance coverage) arising from negative environmental impacts or any other damage or injury.

Dilution - The number of common shares the Company is authorized to issue is unlimited. The Company may, in its sole discretion, issue additional shares from time to time, and the interests of the shareholders may be diluted thereby. The Audit Committee meets regularly to review reports and discuss significant risk areas with the internal and external auditors. Management and the Board of Directors continuously assess risks that the Company is exposed to, and attempt to mitigate these risks where practical through a range of risk management strategies.

Other Risks and Hazards

- The Company's operations are subject to a number of risks and hazards including:
- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- failure of processing and mining equipment;
- labour disputes;
- supply problems and delays;
- changes in regulatory environment;
- encountering unusual or unexpected geologic formations or other geological or grade problems;
- encountering unanticipated ground or water conditions;
- cave-ins, pit wall failures, flooding, rock bursts and fire;
- periodic interruptions due to inclement or hazardous weather conditions;
- uncertainties relating to the interpretation of drill results;
- inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses;
- results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that future
- exploration or development results will not be consistent with the Company's expectations;
- the potential for delays in exploration or the completion of feasibility studies;
- other acts of God or unfavourable operating conditions.
- Such risks could result in damage to, or destruction of, mineral properties or processing facilities
- personal injury or death, loss of key employees, environmental damage, delays in mining, monetary
- losses and possible legal liability. Satisfying such liabilities may be very costly and could have a material adverse effect on future cash flow, results of operations and financial condition.

13. DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

Authorized – unlimited number of common shares without par value.
At the date of this MD&A issued and outstanding – common shares outstanding 64,880,324 with recorded value of $77,236,658.

Summary of securities issued during three months ended June 30, 2012 and after the reporting period:

	Common shares		Value
Outstanding, March 31, 2012	55,453,543	$	64,997,398
Options exercised	100,000		90,000
Warrants exercised	265,000		265,000
Shares issued on URSA acquisition	3,186,916		5,099,066
Shares issued in private placement, net of share issue costs	5,874,865		6,785,194
	64,880,324	$	77,236,658

Stock Options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10,120,695 common shares of the Company. The options can be granted for a maximum term of five years and vest at the discretion of the Board of Directors.

During the three months year ended June 30, 2012 and after the reporting period, the Company granted 230,000 stock options at exercise price of $3.09, 50,000 at $2.67, 1,970,000 at $1.16, and 87,000 at $1.14 were granted to directors, employees, officers, and consultants of the Company for a period of five years and vest 50% at the end of each year for two years.

As at the date of this report, the outstanding options of the Company are comprised as follows:

Exercise Price		Number of Options Outstanding	Expiry Date	Exercisable	Unvested
$	1.60	3,750	January 7, 2013	3,750	
$	1.00	12,500	November 6, 2014	12,500	
$	1.40	175,000	December 13, 2015	175,000	
$	0.90	5,345,000	June 20, 2016	4,497,500	847,500
$	2.25	770,000	December 12, 2016	190,000	580,000
$	2.40	90,000	January 9, 2017		90,000
$	3.68	240,000	February 3, 2017		240,000
$	3.09	80,000	April 4, 2017		80,000
$	2.67	50,000	May 9, 2017		50,000
$	1.16	1,970,000	August 7, 2017		1,970,000
$	1.14	87,000	August 16, 2017		87,000
		8,823,250		4,878,750	3,944,500

13. DISCLOSURE OF OUTSTANDING SHARE DATA (continued)

Warrants

On completion of URSA's acquisition on July 16, 2012, each outstanding URSA warrant has been exchanged for 0.04 of the Company warrant. URSA warrants were thereafter cancelled, with each such Company warrant being exercisable for that number of the Company shares that is equal to the number of URSA shares that would be otherwise have been issuable upon the exercise of the URSA warrant divided by 25, with the exercise price of such the Company warrant being equal to the exercise price of the applicable URSA warrant multiplied by 25.

The following table summarizes the number of warrants outstanding as of the date of this MD&A:

Exercise Price	Number of Warrants Outstanding	Expiry Date
$1.00	875,000	January 6, 2013
$7.50	107,980	January 31, 2013
$4.75	36,117	January 31, 2013
$1.50 / $2.00	2,533,604	July 31, 2014
	3,552,701	

14. OFF-BALANCE SHEET ARRANGEMENTS

During the period ended June 30, 2012, the Company was not a party to any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources of the Company.

PROPHECY PLATINUM CORP.
(AN EXPLORATION STAGE COMPANY)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

JUNE 30, 2012

(Unaudited)

(Expressed in Canadian Dollars)

Contents

Notice of No Auditor Review of Condensed Consolidated Interim Financial Statements

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors. The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established for a review of interim financial statements by an entity's auditors.

PROPHECY PLATINUM CORP. (An exploration company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	Note		June 30, 2012		March 31, 2012
ASSETS					
Current Assets					
Cash and cash equivalents	4	**$**	**1,201,002**	$	582,139
Available for sale investments	5		**-**		2,611,661
Amounts receivable			**423,389**		242,594
Prepaid expenses	6		**734,177**		333,948
			2,358,568		3,770,342
Exploration deposits			**118,278**		118,278
Available for sale investments	5		**1,334,083**		1,834,083
Equipment	7		**343,872**		373,874
Exploration and evaluation assets	8		**58,082,283**		56,019,080
			59,878,516		58,345,315
TOTAL ASSETS		**$**	**62,237,084**	$	62,115,657
LIABILITIES AND EQUITY					
Current Liabilities					
Accounts payable and accrued liabilities	9	**$**	**907,398**	$	692,956
Due to related parties	12		**1,000**		30,338
TOTAL LIABILITIES			**908,398**		723,294
EQUITY					
Share capital	10		**65,105,924**		64,997,398
Common shares subscribed			**1,350,000**		
Contributed surplus			**7,651,021**		7,378,173
Accumulated other comprehensive income			**291,667**		768,896
Deficit			**(13,069,926)**		(11,752,104)
TOTAL EQUITY			**61,328,686**		61,392,363
		$	**62,237,084**	$	62,115,657

Subsequent events (Note 19)

Approved on behalf of the Board on August 27, 2012:

"Joseph Li" — Joseph Li, Director

"Greg Hall" — Greg Hall, Director

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

PROPHECY PLATINUM CORP. (An exploration company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

		Three Months Ended June 30 2012		Three Months Ended July 31 2011
EXPENSES				
Share-based payments	**$**	**260,256**	**$**	369,164
Business development and promotion		**331,125**		130,708
Consulting		**150,637**		93,514
Office and miscellaneous		**122,556**		23,265
Professional fees		**124,340**		101,092
Foreign exchange (recovery)		**11,665**		1,185
Transfer agent and filing fees		**6,487**		177
Salaries and wages		**119,330**		19,087
Insurance		**9,092**		-
Depreciation		**14,011**		49
		1,149,499		738,241
Loss before other items		**(1,149,499)**		(738,241)
OTHER ITEMS				
Investment income (expense)		**-**		10,710
Realized loss on available for sale investments		**(100,147)**		-
Loss before income taxes		**(1,249,646)**		(727,531)
Deferred income tax recovery (expense)		**(68,176)**		0
Net loss		**(1,317,822)**		(727,531)
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized loss on available for sale investments (net of tax)		**(477,229)**		-
COMPREHENSIVE LOSS	**$**	**(1,795,051)**	**$**	(727,531)
LOSS PER COMMON SHARE, BASIC AND DILUTED	**$**	**(0.02)**	**$**	(0.03)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		**55,461,154**		27,053,453

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

PROPHECY PLATINUM CORP. (An exploration company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

		Three Months Ended June 30 2012		Three Months Ended July 31 2011
CASH FROM (USED IN):				
OPERATIONS				
Net loss	$	**(1,317,822)**	$	(727,531)
Add (deduct) items not affecting cash:				
Deferred income tax expense		**68,176**		-
Share-based payment		**260,256**		221,023
Depreciation		**14,011**		49
Realized loss on available for sale investment		**100,147**		-
Investment income		**-**		(24,328)
		(875,232)		(530,787)
Changes in non-cash working capital balances:				
(Increase) decrease in amounts receivable		**(180,795)**		10,238
(Increase) decrease in prepaid expenses		**(400,229)**		(46,126)
Increase (decrease) in accounts payable		**(247,034)**		487,262
		(1,703,289)		(79,413)
INVESTING				
Exploration expenditures		**(1,522,519)**		(960,889)
Cash received in acquisition		**-**		2,000,000
Proceeds from sale of available for sale investments		**2,464,010**		105,779
(Increase) decrease in exploration deposit		**-**		(162,125)
		941,491		982,765
FINANCING				
Proceeds from share issuance		**-**		85,641
Proceeds from exercise of options		**45,000**		116,000
Proceeds from exercise of warrants		**15,000**		591,000
Share subscriptions received (applied)		**1,350,000**		-
Due to (from) related parties		**(29,338)**		308,908
		1,380,662		1,101,549
NET INCREASE IN CASH		**618,863**		2,004,901
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		**582,139**		837,204
CASH AND CASH EQUIVALENTS, END OF PERIOD	$	**1,201,002**	$	2,842,105

Supplemental cash flow information (Note 18)

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

PROPHECY PLATINUM CORP. (An exploration company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

	Number of Common Shares	Common Shares Amount	Reserves	Accumulated Other Comprehensive Income	Deficit	Total Equity
As at April 30, 2011	**5,603,484**	**$ 4,866,124**	**$ 1,930,092**	**$ –**	**$ (4,000,465)**	**$ 2,795,751**
Options exercised	80,000	114,750	–	–	–	114,750
Warrants exercised	601,000	601,000	_	–	–	601,000
Share issuance cost	_	(16,691)	_	–	–	(16,691)
Exercise of option and warrants reallocation from reserves	_	116,409	(116,409)	–	–	-
Share issue adjustment for mineral property	_	31,250	_	–	–	31,250
Fair value of options granted	_		396,893	–	–	396,893
Shares issued on June 13, 2011 acquisition	45,000,000	49,007,724	–	–	–	49,007,724
Adjustment on share consolidation	(163)	_	–	–	–	-
Share subscription receivable on 17,500 shares	_	(21,250)	–	–	–	(21,250)
Net loss for the period	–	-	–	–	(727,531)	(727,531)
As at July 31, 2011	**51,284,321**	**$ 54,699,316**	**$ 2,210,576**	**$ -**	**(4,727,996)**	**$ 52,181,896**
As at March 31, 2012	**55,453,543**	**$ 64,997,398**	**$ 7,378,173**	**$ 768,896**	**$ (11,752,104)**	**$ 61,392,364**
Options exercised	50,000	45,000	–	–	–	45,000
Warrants exercised	15,000	15,000	–	–	–	15,000
Exercise of option and warrants reallocation from reserves	_	48,526	(48,526)	–	–	-
Fair value of options granted	_	_	321,374	_	_	321,374
Unrealized gain on marketable securities	_	_	_	(477,229)	_	(477,229)
Share subscriptions received	_	1,350,000	–	–	–	1,350,000
Net loss for the period	–	–	–	–	(1,317,822)	(1,317,822)
As at June 30, 2012	**55,518,543**	**$ 66,455,924**	**$ 7,651,021**	**$ 291,667**	**$ (13,069,926)**	**$ 61,328,686**

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

Prophecy Platinum Corp. (formerly Pacific Coast Nickel Corp.), incorporated in British Columbia, is a public company listed on the TSX Venture Exchange ("TSX-V") and trades under the symbol NKL. The address of the Company's corporate office and its principal place of business is 342 Water Street, 2nd Floor, Vancouver, British Columbia, Canada.

These financial statements are for the period of three months ended June 30, 2012 with comparative figures of three months for the quarter ended July 31, 2011. During fiscal 2012 the company changed it's year end from July 31 to March 31, resulting in the comparative period being one month different than the current quarter end.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties in North America and South America. The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board.

The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's audited annual financial statements as at March 31, 2012.

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as available-for-sale and fair value through profit or loss ("FVTPL"), which are stated at their fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

In preparing the condensed interim consolidated financial statements for the three months ended June 30, 2012, the Company followed the same accounting policies and methods of computation as in Note 3 of the annual consolidated financial statements for the eight months ended March 31, 2012.

Approval of the financial statements

The condensed interim consolidated financial statements of Prophecy Platinum for the three months ended June 30, 2012 were reviewed and approved by the Audit Committee on August 27, 2012.

Comparative figures

Certain prior year figures have been reclassified to conform to the current year's presentation. Such reclassifications are for presentation purposes only and has no effect on previously reported results.

New accounting pronouncements

There has not been any change in accounting policy due to changes required by an IFRS that will be effective for the annual financial statements and changes that are proposed to be adopted for the annual financial statements, in accordance with the requirements of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* since the consolidated financial statements for the eight months ended March 31, 2012.

(Unaudited) (Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)

Basis of consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its 100% owned subsidiaries. All material intercompany balances and transactions have been eliminated.

3. ACQUISITION OF MINERAL PROPERTIES FROM PROPHECY COAL CORP.

On June 13, 2011, the Company purchased the Wellgreen and Lynn Lake properties from Prophecy Coal Corp. by a plan of arrangement (the "Arrangement") in consideration for 450,000,000 of the Company's pre-consolidation shares. The balances in acquisition costs for the Wellgreen and Lynn Lake properties represent the estimated fair value of these properties at the time of the acquisition.

Under the Arrangement, Prophecy Coal Corp. spun out its Wellgreen and Lynn Lake mineral properties along with $2,000,000 cash into a newly incorporated company named 0905144 BC Ltd. Prophecy Coal Corp then transferred all the issued and outstanding shares of 0905144 BC Ltd shares to the Company in consideration for 450,000,000 of the Company's pre-consolidation shares. Subsequent to the transaction the Company changed its name to Prophecy Platinum Corp. and consolidated its share capital for 10 old for 1 new basis. This transaction has been accounted for as an acquisition of assets rather than a business combination because the acquisition does not meet the definition of a business as outlined in the IFRS 3 *Business Combinations*. The operations of 0905144 BC Ltd. have been included in these consolidated financial statements from the date of acquisition.

The following is a summary of the acquisition cost allocation at the date of purchase based upon the estimated fair values of the assets acquired and liabilities assumed:

Purchase price of 450,000,000 (45,000,000 post share-consolidation) common shares issued	$49,007,724
Transaction costs	126,730
Acquisition cost	$49,134,454
Purchase price allocation:	
Cash	$ 2,000,000
Mineral properties – Wellgreen	14,783,596
Mineral properties – Lynn Lake	32,350,858
Assets acquired	$49,134,454

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Company are comprised of bank balances and short term money market instruments with original maturities of three months or less. The Company's cash and cash equivalents are denominated in the following currencies:

		June 30, 2012	March 31, 2012
Cash			
Denominated in Canadian dollars	$	912,229 $	399,264
Denominated in US dollars		269,369	167,397
Denominated in Uruguayan pesos		19,159	15,233
Short-term deposits			
Denominated in Canadian dollars		245	245
	$	1,201,002 $	582,138

5. AVAILABLE FOR SALE INVESTMENTS

In December 2011, the Company purchased platinum and palladium ETFs in the amounts of $1,969,407 USD ($2,004,263 CAD) and $1,969,234 USD ($2,004,211 CAD) respectively. At June 30, 2012, the Company sold all of its platinum ETFs and palladium ETFs on hand and received proceeds for a realized loss of $100,147 for the three months ended June 30, 2012.

On March 8, 2012, the Company subscribed for 16,666,667 common shares of Ursa Major Minerals Incorporated ("Ursa") (TSX: UML) at $0.06 per share for a total cost of $1,000,000 representing 17.3% of URSA's common shares. An unrealized gain on this investment was recorded in other comprehensive income.

These investments are classified as available for sale financial instruments and are detailed as follows:

Available for sale sale investments	**Cost**	**Sale at Cost**	**Balance**	**June 30, 2012 FV Change**	**June 30, 2012 Fair Value**
Current Assets					
Platinum ETF	$ 2,004,263 $	(2,004,263) $	- $	- $	-
Palladium ETF	2,004,211	(2,004,211)	-	-	-
	4,008,474	(4,008,474)	-	-	-
Non Current Assets					
URSA Shares	1,000,750	-	1,000,750	333,333	1,334,083
Balance June 30, 2012	**$ 5,009,224 $**	**(4,008,474) $**	**1,000,750 $**	**333,333 $**	**1,334,083**

(Unaudited) (Expressed in Canadian Dollars)

6. PREPAID EXPENSES

		June 30, 2012		March 31, 2012
Prepaid insurance	$	1,515	$	10,608
Prepaid geological service contracts		437,343		172,597
Prepaid promotional services		88,279		113,388
Prepaid general business and other services contracts		207,039		37,355
	$	734,176	$	333,948

7. EQUIPMENT

		Computer equipment		Computer software		Exploration equipment		Portables		Total
Cost										
Balance, March 31, 2012	$	1,572	$	59,087	$	33,889	$	325,000	$	419,548
Additions for the period		–		–		–		–		–
Balance, June 30, 2012		**1,572**		**59,087**		**33,889**		**325,000**		**419,548**
Accumulated depreciation										
Balance, March 31, 2012		(1,244)		(15,373)		(18,225)		(10,832)		(45,674)
Depreciation for the period		(25)		(13,486)		(783)		(15,708)		(30,001)
Balance, June 30, 2012		**(1,269)**		**(28,859)**		**(19,008)**		**(26,540)**		**(75,676)**
Net book value										
As at March 31, 2012	$	328	$	43,715	$	15,664	$	314,167	$	373,874
As at June 30, 2012	$	303	$	30,228	$	14,881	$	298,460	$	343,872

(Unaudited) (Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS

	Wellgreen	Lynn Lake	Burwash	Cerro Chato, Molles North, Molles South, Quebracho and Polanco, Uruguay	Las Aguilas, Argentina	Total
Acquisition costs						
Balance, March 31, 2012	$ 14,783,596	$ 33,350,858	$ 1,126,500	$ 7,048	$ 280,123	$ 49,548,125
Option payment	–	–	–	–	–	0
Balance, June 30, 2012	14,783,596	33,350,858	1,126,500	7,048	280,123	49,548,125
Exploration and evaluation						
Balance, March 31, 2012	4,448,257	404,108	756,565	710,497	151,528	6,470,955
Amortization	26,542	–	30	254	–	26,826
Camp and general (recovery)	401,604	3,261	16,279	–	–	421,144
Drilling	868,579	–	–	–	–	868,579
Geophysical	284,198	6,680	–	15,499	–	306,377
Leases and licensing	3,987	1,328	–	–	–	5,315
Legal	14,953	–	–	–	2,542	17,495
Mapping	4,246	–	–	–	–	4,246
Share-based payments	61,117	–	–	–	–	61,117
Survey & estimates	145,094	–	–	–	–	145,094
Travel	27,525	–	–	–	3,355	30,880
Wages	176,130	–	–	–	–	176,130
Balance, June 30, 2012	6,462,231	415,377	772,874	726,250	157,425	8,534,157
Total	**$ 21,245,827**	**$ 33,766,235**	**$ 1,899,374**	**$ 733,298**	**$ 437,548**	**$ 58,082,283**

8. EXPLORATION AND EVALUATION ASSETS (continued)

Burwash Property, Canada

On August 4, 2011 the company entered into a letter agreement with Strategic Metals Ltd. to acquire a 100% interest in the Burwash property for $1,000,000 (paid). The agreement replaces the Burwash option agreement dated February 23, 2010 and letter agreement entered into on April 1, 2011.

Cerro Chato, Molles North, Molles South, Quebracho and Polanco, Uruguay

The Company has received five prospecting licences in Uruguay and has begun an exploration program on these properties. To date the company has spent $717,545 on the properties and intends to continue exploration work.

Las Aguilas Property, Argentina

On December 10, 2010, further amended March 21, 2012 the Company entered into a letter agreement with Marifil Mines Limited ("Marifil") with an option to acquire up to a 70% interest in the Las Aguilas Nickel-Copper-PGM property located in San Luis Province, Argentina. The agreement with Marifil provides for payments and work commitments to earn a 49% interest in the property as follows:

Cash and shares

- $25,000 upon signing and 250,000 shares (paid and issued; 25,000 post consolidation)
- $125,000 and 250,000 shares on or before April 1, 2012 (paid and issued; 25,000 post consolidation)
- $100,000 and 250,000 shares on or before April 1, 2013 (25,000 post consolidation)
- $100,000 and 250,000 shares on or before April 1, 2014 (25,000 post consolidation)

Work Commitments

- On or before 3 months from the agreement date complete a resource estimate (completed)
- On or before November 1, 2012 incur $500,000 in exploration expenditures,
- On or before October 1, 2013 incur $500,000 in exploration expenditures,
- On or before July 1, 2014 incur $1,000,000 in exploration expenditures,

The agreement also provides for the Company to earn an additional 11% by preparing a pre-feasibility study on the property and issuing an aggregate of 2,000,000 shares (200,000 post consolidation) from April 1, 2014 to April 1, 2015. A further 10% can be earned by completing a feasibility study on the property, making cash payment of $100,000 and issuing an aggregate of 1,000,000 shares from April 1, 2015 to April 1, 2016.

The agreement also provides for granting of a 3% NSR to Marifil of which 0.5% can purchased for $1,000,000 and a further 0.5% of the royalty at any time upon the payment of a further $2,000,000. The Company retains the option of buying Marifil's 30% interest for $5,000,000

Wellgreen Property, Canada

The Wellgreen property, a nickel-copper and platinum group metals project located in southwestern Yukon Territory, Canada, was acquired from Prophecy Coal Corp. through the June 2011 acquisition, see Note 3. The Wellgreen property is located approximately 35 km northwest of Burwash Landing in the Yukon, and about 400 Km from Alaska's deep sea port at Haines. The Wellgreen property is a platinum group metal (PGM)-rich, nickel (Ni)-copper (Cu) project located in the south-western Yukon Territory.

Lynn Lake Property, Canada

The Company has an option to acquire 100% of the Lynn Lake property which is a nickel project located in northern Manitoba, Canada. In June 2011 the Company purchased the Lynn Lake option from Prophecy Coal Corp. in the June 2011 acquisition (refer to Note 3). The Company has assumed the original terms of the October 20, 2009 option agreement that Prophecy Coal Corp. entered into with Victory Nickel Inc. ("Victory").

(Unaudited) (Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

Lynn Lake Property (continued)

The Company has the right to earn a 100% interest in Lynn Lake by paying Victory an aggregate of $4,000,000 and by incurring an aggregate of $3,000,000 exploration expenditures at Lynn Lake and by issuing 2,419,548 shares to Victory (issued by Prophecy Coal Corp.). The option agreement also provided Victory with a right to participate in future financings or acquisitions on a pro-rata basis so that Victory may maintain its 10% interest in the number of outstanding shares of the Company. Pursuant to the option agreement, the Company is subject to a 3% net smelter return royalty.

Pursuant to the option agreement, the schedule of cash payments to Victory is as follows:

(i) $300,000 within five business days after the approval from the TSX Venture Exchange (paid);
(ii) $300,000 on January 9, 2010 (paid);
(iii) $400,000 within 180 days of the option agreement (paid);
(iv) $1,000,000 on or before March 1, 2011 (paid);
(v) $1,000,000 on or before March 1, 2012; and (paid);
(vi) $1,000,000 on or before March 1, 2013;

The schedule of expenditures to be incurred at Lynn Lake is as follows:

(i) $500,000 on or before November 1, 2010 (incurred);
(ii) an aggregate of $1,500,000 on or before November 1, 2011 (incurred by October 31, 2011); and
(iii) an aggregate of $3,000,000 on or before November 1, 2012;

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		June 30, 2012	March 31, 2012
Trade accounts payable	$	691,871 $	368,539
Accrued expenses		216,527	354,755
	$	**908,398 $**	**723,294**

10. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common voting shares without par value. Disclosures on any common shares issued are provided in the Statements of Changes in Shareholders' Equity.

On June 13, 2011, the Company enacted a one for ten common share consolidation and all share amounts presented have been retroactively restated.

At June 30, 2012, there were 9,535,855 common shares held in escrow. All escrowed shares will be fully released by December 13, 2012.

11. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10,120,695 common shares of the Company. The options can be granted for a maximum term of ten years and vest at the discretion of the Board of Directors. The following table summarizes the stock option plan transactions to June 30, 2012.

(Unaudited) (Expressed in Canadian Dollars)

11. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS (continued)

	Number of Options		Weighted Average Exercise Price
Outstanding, March 31, 2012	6,706,250	$	1.19
Granted	280,000		3.02
Exercised	(50,000)		0.90
Forfeited	(170,000)		2.99
Outstanding, June 30, 2012	6,766,250	$	1.22

The following table summarizes the stock options outstanding at June 30, 2012:

Exercise Price	Number of Options Outstanding	Exercisable	Expiry Date
$1.60	3,750	3,750	January 7, 2013
$1.00	12,500	12,500	November 6, 2014
$1.40	175,000	175,000	December 13, 2015
$0.90	5,345,000	4,497,500	June 20, 2016
$2.25	770,000	190,000	December 12, 2016
$2.40	90,000		January 9, 2017
$3.68	240,000		February 3, 2017
$3.09	80,000		April 4, 2017
$2.67	50,000		May 9, 2017
	6,766,250	4,878,750	

For the three months ended June 30, 2012 and July 31, 2011, share-based payments were recorded as follows:

	June 30, 2012	**July 31, 2011**
Consolidated Statement of Opertations		
Share-based payments	260,256	369,164
Consolidated Statement of Financial Position		
Lynn Lake exploration	-	4,822
Wellgreen exploration	61,118	22,907
Share-based payments	61,118	27,729
Total	321,374	396,893

(Unaudited) (Expressed in Canadian Dollars)

11. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS (continued)

During the three months ended June 30, 2012, the Company granted a total of 280,000 options (three months ended July 31, 2011 – 5,920,000 options) to employees, officers and consultants of the Company. 50% of the options vest in year one and 50% in year two. For the three months ended June 30, 2012, the Company charged $260,256 to operations as share-based compensation and capitalized $61,118 to exploration and evaluation assets

The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued shares at the time the options are granted. The aggregate number of options granted to any one optionee in a 12-month period is limited to 5% of the issued shares of the corporation.

Warrants

The following table summarizes the warrant transactions to June 30, 2012.

	Number of Warrants	Weighted Avg Exercise Price
Outstanding, March 31, 2012	1,142,000	1.00
Exercised	(15,000)	1.00
Outstanding, June 30, 2012	1,127,000	1.00

At June 30, 2012, there were 1,127,000 (March 31, 2012 – 1,142,500) warrants outstanding enabling holders to acquire common shares of the company at $1.00 per share.

Exercise Price	Number of Warrants	Expiry Date
$1.00	252,000	August 3, 2012
$1.00	875,000	January 6, 2013
	1,127,000	

(Unaudited) (Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS

a) The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties as follows:

During the three months period ended June 30, 2012:

i) The Company incurred consulting fees of $69,000 (during three months ended July 31, 2011 - $97,717). This includes $45,000 (during the three months ended July 31, 2011 - $30,000) paid to a company controlled by the Chairman of the Company, $18,000 (during the three months ended July 31, 2011 - $Nil) paid to a company controlled by a director, $6,000 (during the three months ended July 31, 2011 - $Nil) paid to an officer, and $Nil (during the three months ended July 31, 2011 - $6,375) paid to the former President and CEO.

ii) The Company incurred director fees of $9,500 (during three months ended July 31, 2011 - $1,727).

iii) The Company incurred rent and general office expenses of $120,000 (during three months ended July 31, 2011 - $Nil) to Prophecy Coal Corp., a company with common directors and officers.

b) As at June 30, 2012, accounts payable and accrued liabilities include $1,000 (March 31, 2012 - $15,000 recorded in due to related parties) owing to directors for director fees. The amounts due to related parties are non-interest bearing and are due upon demand.

13. KEY MANAGEMENT COMPENSATION

The key management of the Company comprises executives and non-executive directors and senior management. The remuneration of directors and other members of key management were as follows:

		June 30 2012		**July 31 2011**
Remuneraiton and short-term benefits	$	78,500	$	99,444
Share-based payment compensation		53,546		35,000
	$	132,046	$	134,444

(Unaudited) (Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS

The Company's financial assets and financial liabilities are categorized as follows:

		June 30 2012		March 31 2012
Fair value through profit or loss				
Cash and cash equivalents	$	1,201,002	$	582,139
Marketable securities		-		-
Available for sale investments				
Platinum ETF		-		1,343,841
Palladium ETF		-		1,267,820
URSA Shares		1,334,083		1,334,083
	$	2,535,085	$	4,527,883
Other financial liabilities				
Accounts payable and due to related parties	$	907,398	$	368,539
	$	907,398	$	368,539

Fair Value – The estimated fair values of cash and cash equivalent, accounts payable and due to related parties approximate their respective carrying values due to the immediate or short period to maturity. The marketable securities are carried at fair values based on published price quotation in an active market.

The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - Significant unobservable inputs which are supported by little or no market activity.

As at June 30, 2012		Level 1		Level 2		Level 3		Total
Financial assets								
Fair value through profit or loss	$	1,201,002	$	-	$	-	$	1,201,002
Available for sale investments		1,334,083		-		-		1,334,083
	$	2,535,085	$	-	$	-	$	2,535,085

As at March 31, 2012		Level 1		Level 2		Level 3		Total
Financial assets								
Fair value through profit or loss	$	582,139	$	-	$	-	$	582,139
Available for sale investments		4,445,744		-		-		4,445,744
	$	5,027,883	$	-	$	-	$	5,027,883

15. FINANCIAL RISK MANAGEMENT DISCLOSURES

Credit Risk - The Company does not currently generate any revenues from sales to customers nor does it hold derivative type instruments that would require a counterparty to fulfil a contractual obligation. The Company does not have any asset-backed commercial instruments. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Liquidity Risk - Liquidity risk is the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flow to ensure that there is sufficient capital in order to meet short term obligations. As at June 30, 2012, the Company has cash and cash equivalents of $1,201,002 and financial liabilities of $691,871 which have contractual maturities of 90 days or less.

Foreign Exchange Risk - The Company has operations in Canada, Argentina and in Uruguay and undertakes transactions in various foreign currencies. The Company is therefore exposed to foreign currency risk arising from transactions denominated in a foreign currency. The Company's reporting and functional currency is Canadian dollars. Based on the above, a 5% strengthening (weakening) of the Argentine peso and Uruguayan peso will have an insignificant impact on total assets and loss. The Company currently does not use any foreign exchange contracts to hedge this currency risk.

Interest Rate Risk - The Company manages its interest rate risk by obtaining the best commercial deposit interest rates available in the market by the major Canadian financial institutions on its cash and cash equivalents.

Market risk - Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The sale of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is exposed to market risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments are accounted for at estimated fair values and are sensitive to changes in market prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Based on the Company's investment position at June 30, 2012, a 10% increase (decrease), net of tax of the market price of the available for sale URSA shares held would have resulted in an increase (decrease) to comprehensive income (loss) of approximately $116,667.

16. CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of share capital, stock options and warrants. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative returns on capital criteria for management.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended June 30, 2012. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements. The Company's investment policy is to invest its surplus cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, all held within major Canadian financial institutions.

(Unaudited) (Expressed in Canadian Dollars)

17. OPERATING SEGMENT INFORMATION

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. The Company has mineral properties located in Canada and South America.

June 30, 2012		Canada		South America		Total
Current assets	$	2,338,919	$	19,649	$	2,358,568
Non-current assets		59,304,227		574,289		59,878,516
Total assets		61,643,146		593,938		62,237,084
Current liabilities		(898,927)		(9,471)		(908,398)
Non-current liabilities		-		-		-
Total liabilities	$	(898,927)	$	(9,471)	$	(908,398)

March 31, 2012		Canada		South America		Total
Current assets	$	3,750,862	$	19,480	$	3,770,342
Non-current assets		57,786,525		558,790		58,345,315
Total assets		61,537,387		578,270		62,115,657
Current liabilities		712,380		10,914		723,294
Non-current liabilities		-		-		-
Total liabilities	$	712,380	$	10,914	$	723,294

Three months ended June 30, 2012		Canada		South America		Total
Expenses	$	1,150,196	$	(697)	$	1,149,499
Other items		100,147		-		100,147
Net loss before income taxes and other comprehensive item		1,250,343		(697)		1,249,646
Deferred income tax recovery		68,176		-		68,176
Loss before other comprehensive item		1,318,519		(697)		1,317,822
Unrealized loss on available for sale securities		477,229		-		477,229
Net loss and comprehensive loss	$	1,795,748	$	(697)	$	1,795,051

Three months ended July 31, 2011		Canada		South America		Total
Expenses	$	725,491	$	12,750	$	738,241
Other items		(10,710)		-		(10,710)
Net loss before income taxes and other comprehensive item		714,781		12,750		727,531
Loss before other comprehensive item		714,781		12,750		727,531
Unrealized loss on available for sale securities		-		-		-
Net loss and comprehensive loss	$	714,781	$	12,750	$	727,531

(Unaudited) (Expressed in Canadian Dollars)

18. SUPPLEMENTAL CASH FLOW INFORMATION

		June 30 2012	July 31 2011
Non-cash Financing and Investing Activities:			
Mineral property included in AP	$	463,576	$ -
Capitalized amortization of equipment		14,011	381
Capitalized share-based compensation		61,118	27,729

19. SUBSEQUENT EVENTS

a) On July 16, 2012 the Company completed its acquisition of Ursa Major Minerals Incorporated (“Ursa”) (TSX: UML). The Company issued a total of 3,186,916 common shares to acquire all of the outstanding shares in Ursa using an agreed share exchange ratio of one common share in the Company for each twenty five common shares in Ursa. The balance of shares of Ursa that were held by the Company as at March 31, 2012 (refer to Note 5) were cancelled pursuant to the terms of the acquisition. On completion of the acquisition, Ursa delisted its shares from the TSX and became a wholly-owned subsidiary of the Company.

b) On July 31, 2012 the Company closed a non-brokered private placement of units (“Unit”) and flow through shares (“FT Share”) totaling $7.25 million. 5,067,208 Units were issued at a price of $1.20 per Unit to generate gross proceeds of approximately $6,080,650. Each Unit comprised one common share and a half share purchase warrant exercisable until July 31, 2014. Each whole warrant entitled the holder thereof to acquire one additional common share at a price of $1.50 per share in the first year and $2.00 per share in the second year. The warrants are subject to 30 day accelerated conversion if the closing price of the Company’s shares on the TSX Venture Exchange is $2.80 or above for a period of 10 consecutive days. 807,655 FT Shares were issued at a price of $1.45 per FT Share to generate gross proceeds of approximately $1,171,100.

   Finder’s fees of 6.5% of the proceeds placed, payable in cash, were paid on portions of the placement. Proceeds of the placement will be applied to the Wellgreen project and Platinum’s other properties, in addition to general working capital.

c) On August 3, 2012 the Company signed a Settlement Agreement with Victory to provide for one time cash payment of $450,000 (paid) in full settlement for the Company’s obligation to incur the remaining balance of exploration expenditures $1,188,877 pursuant to the Option Agreement on or before November 1, 2012. In consideration for this payment, Victory completely releases and forever discharges the Company from any obligations.

d) On Aug 7, 2012 the Company granted 1,970,000 stock options to employees of the Company and vest 50% at the end of each year for two years.

e) On August 16, 2012 the Company granted 87,000 stock options to an employee and a consultant of the Company which vest 50% at the end of each year for two years.

f) On August 24, 2012 the Company announced a $3.0 million non-brokered private placement of 2,500,000 units at a price of $1.20 per unit. Each unit comprised one common share and a half share purchase warrant. Each whole warrant entitles the holder thereof to acquire one additional common share at a price of $2.00 per share for a period of two years. The warrants are subject to 30 day accelerated conversion if the closing price of the Company’s shares on the TSX Venture Exchange is $2.80 or above for a period of 10 consecutive days.