ST-GEORGES Platinum & Base Metals Ltd.

ST-GEORGES PLATINUM AND BASE METALS LTD.

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

For the three and six month periods ended June 30, 2011

INTRODUCTION

The following management's discussion and analysis of the financial condition and results of operations ("MD&A") for St-Georges Platinum and Base Metals Ltd. (formerly ACFAW.COM Inc., "St-Georges" or the "Company") should be read in conjunction with the unaudited interim financial statements and accompanying notes for the periods ended June 30, 2011 and March 31, 2011 and the audited financial statements and accompanying notes for the year ended December 31, 2010. The financial statements for the periods ended June 30, 2011 and March 31, 2011 have been prepared in accordance with International Financial Reporting Standards ("IFRS"); the financial statements for the year ended December 31, 2010 have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All currency amounts are in Canadian dollars, unless otherwise stated. Additional information relating to the Company can be found on SEDAR (www.sedar.com) under St-Georges Platinum and Based Metals Ltd.

This MD&A is dated August 29, 2011.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements with respect to the Company. These forward-looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated. The Company considers the assumptions upon which these forward-looking statements are based to be reasonable, but cautions the reader that these assumptions regarding future events, many of which are beyond the Company's control, may ultimately prove to be incorrect.

GOING-CONCERN

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. The Company has not generated revenues from operations. As such, the Company's ability to continue as a going concern depends on its ability to successfully raise additional financing. If additional capital is not raised, the going concern basis may not be appropriate with the result that the Company may have to realize its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts different from those stated in the financial information. No adjustments for such circumstances have been made in the financial information.

COMPANY DESCRIPTION

The Company was incorporated on June 21, 2002 under the Canada Business Corporation Act. On February 13, 2003, the Company became a publicly traded corporation. On June 2, 2009, the Company, then operating under the name Emergence Resort Canada Inc. ("Emergence"), acquired 100% of the common shares of ACFAW.COM Inc., a social entrepreneurship company developing high-technology platforms. This acquisition constituted Emergence's Qualifying Transaction. Following Emergence's request, its common shares were delisted from the NEX and listed subsequently on the CNSX. Immediately following the completion of this acquisition, Emergence changed its name to ACFAW.COM Inc.

On December 20, 2009, the Company purchased mineral claims, thereby expanding the nature of its activities to include the acquisition, exploration and development of mining properties in Canada. The acquisition of these 101 platinum-group mineral claims over 47.49 km^2 in Quebec's Abitibi and North Shore regions was valued at $2,947,510. This acquisition was approved by the shareholders of the Company at its annual and special meeting of shareholders held in Montreal on March 3, 2010 and was paid by the issuance of 117,900,400 common shares.

On May 4, 2010, the Company changed its name from ACFAW.COM Inc. to St-Georges, and a share consolidation approved by the shareholders at the last annual and special meeting became effective on May 7, 2010 on the basis of one new share of the Company for two previous common shares held.

The Company's common shares are listed on CNSX under the symbol ''SX''. The Company has one reportable segment in Canada and all of the assets are located in Canada.

OVERVIEW OF Q2 2011

On May 31, 2011, St-Georges announced the start of an exploration drilling campaign on the Villebon property and the newly expanded Villebon-Cooper Lake Property. The Company plans to complete up to 2,100 metres of drilling with the objective of validating the historical results from past work on the South and North Zones of Villebon and at Cooper Lake. In addition, some holes will be drilled to verify extensions laterally and to depth from historical zones. The 2,100-metre drilling program will be divided into three sections: 1,200 metres on the Villebon South Zone, 400 metres on the Villebon North Zone and 500 metres on the Cooper Lake gold targets.

On June 2, 2011, St-Georges appointed two new officers of the Company. Michel Boily will be the Company's Vice-President, Exploration and Eric Desaulniers will fill the position of Chief Technological Officer.

SELECTED FINANCIAL INFORMATION

Interim Statement of Comprehensive Loss
For the three- and six-month periods ended June 30, 2011 and 2010 (unaudited)

	3-months ended June 30		6-months ended June 30	
(Unaudited)	**2011**	**2010**	**2011**	**2010**
	$	**$**	**$**	**$**
Operating expenses	206,047	229,129	639,602	589,311
Net loss and comprehensive loss for the period	(198,547)	(229,129)	(632,102)	(700,648)
Basic and diluted loss per share	(0.001)	(0.019)	(0.006)	(0.077)

Interim Statement of Financial Position
As at June 30, 2011 (unaudited) and December 31, 2010 (audited)

	June 30, 2011 (unaudited) $	**December 31, 2010 (audited) $**
Cash and cash equivalents	101,525	49,144
Cash in trust	10,377	1,218,418
Working capital	1,845,623	1,673,210
Exploration and evaluation assets	4,850,968	4,545,968
Total assets	6,959,579	6,805,611
Shareholders' equity	6,797,047	6,319,714

RESULTS OF OPERATIONS

For the three-month period ended June 30, 2011, the Company had revenues of $7,500 (2010 - $Nil), which were generated from interest on the secured debenture issued to LiteWave Corporation.

In the second quarter of 2011, the Company generated operating expenses of $206,047, which was a decrease of $23,082 compared to the operating expenses of $229,129 generated in the second quarter of 2010.

For the three-month period ended June 30, 2011, the Company incurred a net loss of $198,547 (or $0.001 per share), which was a decrease of $30,582 compared to the net loss of $229,129 (or $0.019 per share) for the three-month period ended June 30, 2010.

For the six-month period ended June 30, 2011, the Company had revenues of $7,500 (2010 - $Nil), which were generated from interest on the secured debenture issued to LiteWave Corporation.

In the first half of 2011, the Company generated operating expenses of $639,602, which was an increase of $50,291 compared to the operating expenses of $589,311 generated in the first half of 2010.

For the six-month period ended June 30, 2011, the Company incurred a net loss of $632,102 (or $0.006 per share), which was a decrease of $68,546 compared to the net loss of $700,648 (or $0.077 per share) for the six-month period ended June 30, 2010.

The following tables outline the variations in operating expenses for the three- and six-month periods ended June 30, 2011 and 2010.

Operating Expenses
For the three-months ended June 30, 2011 and 2010 (unaudited)

	2011 $	2010 $	Variation $
Subcontractors	24,308	-	24,308
Administrative expenses	73,771	58,448	15,323
Mineral rights	1,890	-	1,890
Brokerage fees	11,109	5,760	5,349
Travel expenses	45,858	11,344	34,514
Marketing	-	21,000	(21,000)
Professional fees	48,946	122,051	(73,105)
Bank charges	125	63	62
Depreciation – property, plant and equipment	40	57	(17)
Depreciation – intangible asset	-	10,406	(10,406)
	206,047	229,129	(23,082)

For the six-months ended June 30, 2011 and 2010 (unaudited)

	2011 $	2010 $	Variation $
Subcontractors	196,412	-	196,412
Administrative expenses	246,841	108,042	138,799
Mineral rights	31,766	-	31,766
Brokerage fees	22,437	105,760	(83,323)
Travel expenses	79,933	30,000	49,933
Marketing	-	32,344	(32,344)
Professional fees	61,352	269,637	(208,285)
Bank charges	781	158	623
Depreciation – property, plant and equipment	80	114	(34)
Depreciation – intangible asset	-	21,656	(21,656)
Share-based payment compensation	-	21,600	(21,600)
	639,602	589,311	50,291

SUMMARY OF QUARTERLY RESULTS

The following table outlines selected unaudited financial information of the Company for the last eight quarters. Investors should note that the figures for the quarters ended June 30, 2011 and March 31, 2011 have been prepared in accordance with IFRS, while the figures presented for the prior quarters have been prepared in accordance with Canadian GAAP.

Quarters ended	June 30 2011	Mar. 31 2011	Dec. 31 2010	Sep. 30 2010	June 30 2010	Mar. 31 2010	Dec. 31 2009	Sep. 30 2009
($)								
Net loss	(198,547)	(433,555)	(69,540)	(88,245)	(229,129)	(471,519)	(890,043)	(202,160)
Net loss per share– basic and diluted	(0.001)	(0.005)	(0.001)	(0.007)	(0.019)	(0.044)	(0.170)	(0.049)
Basic and diluted weighted average number of shares	101,862,111	95,891,733	79,296,263	12,201,539	11,992,830	10,616,286	5,230,182	4,114,766

Please note that the share figures presented in the table above are presented above, taking into consideration the one-for-two share consolidation that occurred on May 4, 2010.

LIQUIDITY AND CASH FLOW

At June 30, 2011, the Company had cash and cash equivalents of $111,902, which was a decrease of $1,155,660 compared to cash and cash equivalents of $1,267,562 at December 31, 2010. At June 30, 2011, the Company had $101,525 in cash and $10,377 in a lawyer's trust account. On December 31, 2010, the Company had $49,144 in cash and $1,218,418 in a lawyer's trust account. At December 31, 2010, the Company also had restricted cash of $30,000 (June 30, 2011 - $Nil). These balances are restricted to pay legal fees associated with the Company's financings in 2011.

At June 30, 2011, the Company had working capital of $1,845,623, which was an increase of $172,413 compared to the working capital position of December 31, 2010 of $1,673,210. Management expects to finance future operations and growth as required, by the issuance of debt and equity securities.

SHARE CAPITAL

Common Shares

The Company is authorized to issue an unlimited number of common shares, voting, participating and with no par value.

The holders of common shares are entitled to receive dividends, which may be declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

On May 4, 2010, the Company consolidated its existing capital on the basis of two (2) common shares for one (1) new common share of the Company. For purposes of comparison, all common share figures presented in these financial statements are on a post-consolidation basis.

As at June 30, 2011 and as at the date of this MD&A, the Company had 101,862,111 common shares issued and outstanding. The following is a summary of changes in common share capital from January 1, 2010 to June 30, 2011:

	Number of Common Shares
Balance at January 1, 2010	**72,319,778**
Shares issued via private placement (i)	20,650,667
Shares issued for acquisition of mining properties	450,000
Shares issued – issuance costs	266,666
Balance at December 31, 2010	**93,687,111**
Shares issued via private placement (ii)	5,175,000
Shares issued for acquisition of mining properties	500,000
Shares issued as finder's fee	2,500,000
Balance at June 30, 2011	**101,862,111**

i) On March 22, 2010, a non-brokered private placement was closed for gross aggregate proceeds of $1,000,000 through the sale of 6,666,667 flow-through units at $0.15 per unit. Each flow-through unit is comprised of common share, to be issued as a flow-through share, and one non-flow-through common share purchase warrant, exercisable at a price of $0.50 per share no later than 36 months following the closing date. Moreover, 266,666 non-flow-through common shares were issued as a finder's fee, as well as options to purchase 666,667 non-flow-through units at a price of $0.10 no later than 24 months following the closing date, and a cash fee equal to 10% of the subscription proceeds. The gross proceeds of $973,333 for the units were assigned to common shares and $27,667 to warrants, using the Black-Scholes pricing model.

On May 14, 2010, a non-brokered private placement was closed for gross aggregate proceeds of $352,000 through the sale of 3,520,000 units at $0.10 per unit. Each unit is comprised of one common share and one common share purchase warrant, exercisable at a price of $0.50 per share no later than 36 months following the closing date. Moreover 72,000 warrants at $0.50 for 36 months were issued as a finder's fee, plus $5,760 cash. The gross proceeds of $274,560 for the units were assigned to common shares and $77,440 to warrants, using the Black-Scholes pricing model.

On December 31, 2010, the Company completed a brokered private placement for gross aggregate proceeds of $2,387,000 through the sale of 153 A units at $1,000 per unit, 1,471 B units at $1,000 per unit and a non-brokered private placement of 763 C units at $1,000 per unit.

The A units consist of 5,000 common shares at a price of $0.20 per share and 5,000 common share purchase warrants. Each warrant will entitle the holder to purchase one additional common share of the capital stock of the Company at an exercise price of $0.50 per share at any time on or before the date that is 36 months from the date of issuance of the warrant. The gross proceeds of $117,381 for the A units were assigned to common shares and $35,619 to warrants, using the Black-Scholes pricing model.

The B units consist of 4,000 flow-through common shares at a price of $0.25 per share and 4,000 common share purchase warrants. Each warrant will entitle the holder thereof to purchase on additional common share of the capital stock of the Company at an exercise price of $0.50 per common share at any time on or before the date that is 12 months from the date of issuance of the warrant, and thereafter at an exercise price of $0.55 per share at any time on or before the date that is 24 months from the date of issuance of the warrant, and thereafter at an exercise price of $0.60 per share, at any time on or before the date that is 36 months from the date of issuance of the warrant. The gross proceeds of $1,391,581 for the B units were assigned to common shares and $79,419 to warrants, using the Black-Scholes pricing model.

The C units consist of 5,000 common shares at a price of $0.20 per share and 5,000 common share purchase warrants. Each warrant will entitle the holder to purchase one additional common share of the capital stock of the Company at an exercise price of $0.50 per share at any time on or before the date that is 36 months the date of issuance of the warrant. The gross proceeds of $584,971 for the C units were assigned to common shares and $178,829 to warrants, using the Black-Scholes pricing model.

The Company paid a total cash commission of $235,380 and issued a total of 1,201,400 agent's options. 731 400 agent's options entitle the holder thereof to purchase one agent's unit of the Company (an "Agent's Unit") at the price of $0.20 per Agent's Unit for a period of 36 months following the closing date. Each Agent's Unit consists of one common share and one non-transferable common share purchase warrant of the Company (an "Agent's Unit Warrant"). Each Agent's Unit Warrant entitles its holder thereof to acquire one additional common share at a price of $0.50 per share during a period of 36 months following the closing date.

Moreover, the Company also issued 470,000 agent's options as a finder's fee (each an "Agent's Option"). Each Agent's Option entitles its holder thereof to purchase one agent's unit of the Company (an "Agent's Unit") at the price of $0.25 per Agent's Unit for a period of 24 months following the closing date. Each Agent's Unit consists of one common share (an "Agent's Unit Share") and one non-transferable common share purchase warrant (an "Agent's Unit Warrant"). Each Agent's Unit Warrant entitles its holder thereof to acquire one additional common share at a price of an exercise price of $0.50 per common share at any time on or before the date that is 12 months from the date of issuance of the warrant, and thereafter at an exercise price of $0.55 per share at any time on or before the date that is 24 months from the date of issuance of the warrant, and thereafter at an exercise price of $0.60 per share, at any time on or before the date that is 36 months from the date of issuance of the warrant.

ii) On March 1, 2011, the Company completed the second tranche of the December 31, 2010 brokered private placement.

The Company received a total of $700,000 for subscriptions to 700 flow-through units at a price of $1,000 per unit (the “B Units”). Each B Unit consists of 4,000 flow-through common shares at a price of $0.25 per share and 4,000 common share purchase warrants (each being a “Warrant”). Each warrant entitles the holder thereof to purchase one additional common share of the capital stock of the Company at an exercise price of $0.50 per common share at any time on or before March 1, 2012, and thereafter at an exercise price of $0.55 per share at any time on or before March 1, 2013, and thereafter at an exercise price of $0.60 per share, at any time on or before March 1, 2014.

The Company paid a cash commission of $25,000 and issued 100,000 agent’s options (the “Agent’s Options”). Each Agent’s Option entitles its holder thereof to purchase one agent’s unit of the Company (an “Agent’s Unit”) at the price of $0.20 per Agent’s Unit for a period of 24 months following the closing date. Each Agent’s Unit consists of one common share (an “Agent’s Unit Share”) and one non-transferable common share purchase warrant of the Company (an “Agent’s Unit Warrant”). Each Agent’s Unit Warrant entitles its holder thereof to acquire one additional common share at a price of $0.50 per share during a period of 36 months following the closing date.

The Company also paid finders’ fees for a cash consideration of $22,500 and issued a total of 180,000 flow-through agent’s options (each a “FT Agent’s Option”). Each FT Agent’s Option entitles its holder thereof to purchase one agent’s unit of the Company (an “FT Agent’s Unit”) at the price of $0.25 per FT Agent’s Unit for a period of 24 months following the closing date. Each FT Agent’s Unit consist of one common share and one non-transferable Warrant.

The Company completed the second and final tranche of a non-brokered private placement previously announced of C Units on December 31, 2010. For this tranche, a total of 475 C units at a purchase price of $1,000 per unit have been issued for total gross proceeds of $475,000. Each C unit consists of 5,000 common shares at a price of $0.20 per share and 5,000 common share purchase warrants. Each warrant entitles the holder to purchase one additional common share of the capital stock of the Company at an exercise price of $0.50 per share at any time on or before the date that is 36 months from the date of issuance of the warrant.

The Company paid an aggregate of $34,000 in finder’s fees on the non-brokered private placement.

Warrants

The following is a summary of changes in warrants from January 1, 2010 to June 30, 2011 (all figures are presented on a post-consolidation basis):

	Number of Warrants	Weighted Average Strike Price
Balance at January 1, 2010	**7,574,801**	**$0.46**
Issued	22,590,733	$0.47
Expired	(260,000)	$0.40
Balance at December 31, 2010	**29,905,534**	**$0.47**
Issued	5,455,000	$0.49
Balance at June 30, 2011	**35,360,534**	**$0.47**
Warrants exercisable, June 30, 2011	**35,360,534**	**$0.47**

As at June 30, 2011, the Company had outstanding warrants as follows:

Number of Warrants	Strike Price	Expiry Date
664,981	$0.16	December 29, 2011
6,649,819	$0.50	December 29, 2011
666,667	$0.15	March 22, 2012
731,400	$0.20	December 31, 2012
470,000	$0.25	December 31, 2012
100,000	$0.20	March 1, 2013
180,000	$0.25	March 1, 2013
6,666,667	$0.50	March 22, 2013
3,592,000	$0.50	May 14, 2013
10,464,000	$0.50	December 31, 2013
5,175,000	$0.50	March 1, 2014
35,360,534	**$0.47**	

Share-based Payments

Stock Options

On June 1, 2009, the Company established a stock-based compensation plan. Under the stock-based compensation plan, the board of directors of the Company may, from time to time, at its discretion, and in accordance with CNSX requirements, grant to directors, officers and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding common shares exercisable for a period of up to five (5) years from the date of grant. The number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares.

Options may be exercised no later than 90 days following cessation of the optionee’s position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised with a maximum period of one year after such death, subject to expiry date of such option.

The subscription price of the shares which may be issued under the plan must not be lower than the closing price of the last regular board lot (not less than $0.10) sold on the CNSX on the trading day immediately preceding the date of grant. The option price is payable in full at the time the options are exercised. The vesting periods in respect of the options are determined by the Board of Directors at the time of each grant of options.

The following is a summary of changes in options from January 1, 2010 to June 30, 2011:

Grant Date	Expiry Date	Exercise Price	Opening Balance	During the period: Granted	During the period: Exercised	During the period: Forfeited	Closing Balance	Vested	Unvested
--	--	$0.26	475,000	-	-	(475,000)	-	-	-
6-Jan-10	6-Jan-15	$0.20	-	400,000	-	-	400,000	400,000	-
20-Oct-10	20-Oct-15	$0.15	-	3,650,000	-	-	3,650,000	3,650,000	-
			475,000	4,050,000	-	(475,000)	4,050,000	4,050,000	-
Weighted Average Exercise Price			$0.26	$0.15	-	$0.26	$0.15	$0.15	-

EXPLORATION AND EVALUATION ASSETS

($)	**Villebon**	**Lac Julie-Isukoustouk Complex**	**Manicouagan Constellation**	**Total**
Balance as at January 1, 2010	**1,817,631**	**786,003**	**343,876**	**2,947,510**
Exploration costs	1,072,617	305,378	155,463	1,533,458
Property acquisitions	65,000	-	-	65,000
Balance as at Dec. 31, 2010	**2,955,248**	**1,091,381**	**499,339**	**4,545,968**
Exploration costs	-	-	-	-
Property acquisitions	305,000	-	-	305,000
Balance as at June 30, 2011	**3,260,248**	**1,091,381**	**499,339**	**4,850,968**

The Villebon, Lac Julie – Isukoustouk and Manicouagan properties are all located in the province of Quebec, Canada.

SIGNIFICANT ACCOUNTING POLICIES

The preparation of the financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual financial statements as at December 31, 2011. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2010 and the Company’s unaudited condensed interim financial statements for the three months ended March 31, 2011, which were the Company’s first financial statements prepared in accordance with IFRS.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The unaudited condensed interim financial statements, including comparatives provided, have been prepared in accordance with IAS 34 and accounting policies consistent with IFRS as described in note 3 of these financial statements. An explanation of IFRS 1, First Time Adoption of International Financial Reporting Standards, and the required reconciliations between IFRS and Canadian GAAP are described in the Company’s unaudited condensed interim financial statements for the three months ended March 31, 2011, and below:

Reconciliation of the Statement of Financial Position as at December 31, 2010 and June 30, 2010

	December 31, 2010 ($)	June 30, 2010 ($)
Total assets, as per Canadian GAAP	6,805,611	4,784,073
Adjustments required upon adoption of IFRS	-	-
Total assets, as per IFRS	6,805,611	4,784,073
Total liabilities, as per Canadian GAAP	485,897	110,885
Adjustments required upon adoption of IFRS	-	-
Total liabilities, as per IFRS	485,897	110,885
Total shareholders' equity, as per Canadian GAAP	6,319,714	4,561,851
Adjustments required upon adoption of IFRS	-	-
Total shareholders' equity, as per IFRS	6,319,714	4,561,851

Reconciliation of the Statement of Comprehensive Loss for the Three and Six Months Ended June 30, 2010

	3 months ($)	6 months ($)
Net loss and comprehensive loss, as per Canadian GAAP	(229,129)	(700,648)
Adjustments required upon adoption of IFRS	-	-
Net loss and comprehensive loss, as per IFRS	(229,129)	(700,648)

Impact of IFRS on Financial Statements and Operations

Management of the Company believes that there has been and will be a minimal impact of IFRS with respect to the Company's financial statements and operations. Under IFRS, there are additional disclosures that must be made and the presentation of the financial statements is different under IFRS than under Canadian GAAP. The business processes of the Company are simple and no major challenges are expected at this point to operate under IFRS.

FINANCIAL RISKS

The primary goals of the Company's financial risk management are to ensure that the outcomes of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, and to maintain an appropriate risk/reward balance while protecting the Company's balance sheet from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through aligning risk appetite with business strategy, diversifying risk, pricing appropriately for risk, mitigating risks through preventive controls and transferring risk to third parties.

The Company's exposure to potential loss from financial instruments is primarily due to various market risks, including interest rate, liquidity and credit risk. There has been no change in the financial risk of the Company during the year.

Market Risk

Market risk is the risk of loss arising from adverse changes to market rates and prices, such as interest rates, equity market fluctuations, foreign currency exchanges rates, and other relevant market rate or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. Below is a discussion of the Company’s primary market risk exposures and how those exposures are currently managed.

Interest Rate Risk

Fluctuations in interest rates have only an impact on the return that the cash generates as interest income. Unfavourable changes in the applicable interest rate may result in a decrease of interest income. Based on the Company’s balance in cash at June 30, 2011, a 1% change in the effective interest rate on these investments would not have had a material impact on the earnings of the Company.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due. To manage cash flow requirements, the Company may have to issue additional common shares.

As at June 30, 2011, the Company has current liabilities of $162,532 due within 12 months and has cash and cash equivalents of $111,902 to meet its current obligations. As a result, the Company does face liquidity risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Substantially all of the cash and short-term investments are held with one financial institution. Consequently the Company is exposed to the risks of that institution. The carrying amount of cash and short-term investments represents the maximum credit exposure.

CAPITAL MANAGEMENT

Capital is comprised of the Company’s shareholders' equity and any debt that it may issue. As at June 30, 2011, the Company’s shareholders’ equity was $6,797,047 and it had no outstanding debt. The Company’s objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. To meet these objectives, management monitors the Company’s capital requirements against unrestricted net working capital and assesses additional capital requirements on specific business opportunities on a case-by-case basis.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient for a certain amount of exploration and development work on its properties, and for working capital purposes. Additional funds may be required to finance the Company’s corporate objectives. There was no change in the capital management policy for the period ended June 30, 2011.

RELATED PARTY TRANSACTIONS

On May 17, 2010, the Company issued a secured debenture to LiteWave Corp. for a total amount of $100,000 at an annual interest rate of 15%. Under terms of the debenture, interest is receivable by the

Company semi-annually. LiteWave and the Company are related parties as François Dumas and Mark Billings are directors of both companies. LiteWave has an option to earn a 50% interest in the Manicouagan Constellation properties with the Company.

RISK FACTORS

Exploration

Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. Other risks related to exploration and mining activities include unusual or unforeseen formations, fire, power failures, labour disputes, flooding, explosions, cave-ins, landslides and shortages of adequate or appropriate manpower, machinery or equipment.

The development of a resource property is subject to many factors, including the cost of mining, variations in the quality of the material mined, fluctuations in the commodity and currency markets, the cost of processing equipment and others, such as aboriginal claims and government regulations, including regulations regarding royalties, authorized production, import and export of natural resources and environmental protection. Depending on the price of the natural resource produced, the Company may decide not to undertake or continue commercial production. There can be no assurance that the expenses incurred by the Company to explore its properties will result in the discovery of a commercial quantity of ore. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

Environmental and Other Regulations

Current and future environmental laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Company's activities. Environmental regulations and standards are subject to constant revision and could be substantially tightened, which could have a serious impact on the Company and its ability to develop its properties economically. Before it commences mining a property, the Company must obtain environmental permits and the approval of the regulatory authorities. There is no assurance that these permits and approvals will be obtained, or that they will be obtained in a timely manner. The cost of complying with government regulations may also impact the viability of an operation or altogether prevent the economic development of a property.

Financing and Development

The Company does not presently have sufficient financial resources to undertake its planned exploration and development programs. Development of the Company's properties therefore depends on its ability to raise the additional funds required. There can be no assurance that the Company will succeed in obtaining the funding required. The Company also has limited experience in developing resource properties, and its ability to do so depends on the use of appropriately skilled personnel or signature of agreements with other large resource companies that can provide the required expertise.

Commodity Prices

The factors that influence the market value of platinum, palladium, rhodium, copper, cobalt, nickel and any other mineral discovered are outside the Company's control. The impact of these factors cannot be accurately predicted. Resource prices can fluctuate widely and have done so in recent years.

Risks Not Covered by Insurance

The Company may become subject to claims arising from cave-ins, pollution or other risks against which it cannot insure itself due to the high cost of premiums or other reasons. Payment of such claims would decrease and could eliminate the funds available for exploration and mining activities.

ST-GEORGES PLATINUM AND BASE METALS LTD. **Date: August 29, 2011**

signed "François Dumas	*signed "Mark Billings"*
François Dumas President, CEO & Director	**Mark Billings** CFO & Director