



Platinum Australia Limited

(ACN 093 417 942)

Annual Report

For the year ended 30 June 2010

CORPORATE INFORMATION

Directors

Peter Donald Allchurch - Chairman
John Derek Lewins - Managing Director
Michael Gerrard Blakiston - Non-Executive Director
Eric Edward Hughes - Non-Executive Director
William Alexander Hansen - Non-Executive Director

Company Secretary

Gillian Swaby

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Stock Exchange Listings

Australian Securities Exchange (ASX) Code: PLA

Share Registry

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Blakiston & Crabb
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West Perth Western Australia 6005

Auditors

HLB Mann Judd
(WA Partnership)
Chartered Accountants
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Contents	Page
Chairman's Report	2
Review of Company Activities	3
Corporate Governance Statement	11
Directors' Report	20
Auditor's Independence Declaration	30
Statement of Comprehensive Income	31
Statement of Financial Position	32
Statement of Cash Flows	33
Statement of Changes in Equity	34
Notes to the Financial Statements	36
Directors' Declaration	79
Independent Auditor's Report	80
Schedule of Mining Tenements	82
Shareholder Information	83
Glossary	85

CHAIRMAN'S REPORT

During the year Platinum Australia Limited continued with its ramp-up to full production at its Smokey Hills mine, commenced resource drilling at the Rooderand Project and moved closer to completion of the Definitive Feasibility Study for a mining operation at the Kalplats Project.

Ramp-up of platinum group metals production from our Smokey Hills mine in South Africa has progressed more slowly than expected, so that production of 4E PGM (platinum, palladium, rhodium plus gold) in concentrate for the year ended 30 June 2010, reached a total of 37,655ozs, significantly less than our budget forecast. This was due to a number of mine start-up type problems, including underground mining issues, power outages and industrial action. Management is steadily working through the issues and is confident that the planned production ramp-up can be back on the target slope by the end of the December quarter.

The Smokey Hills deposit is geologically similar to many other operating PGM mines in South Africa but unlike most of them, is at shallow depth and able to be accessed by simple adits. This means that it is capable of being mined at low cost compared with most other underground operations in South Africa.

The company is vitally concerned about the safety of its workers and I am pleased to say our safety record at Smokey Hills continues to improve. The company has a policy of training and employing people from the local community and by the end of the June, employed some 400 out of a workforce of 800. This is expected to rise as training proceeds.

At our Rooderand Project an intensive first phase of resource drilling is nearing completion. An earlier operator had established an Inferred Resource of three million ounces of 4E PGM in UG2 and Merensky Reefs, from surface to about 500 metres depth. Platinum Australia's drilling has focused on defining areas of shallow reefs which are likely to be mineable by open pit methods. Results to date are encouraging and a preliminary resource estimate is expected later this calendar year. Platinum Australia can acquire up to a 70% interest in the area.

The Definitive Feasibility Study for a 130,000 oz 4E PGM open pit mining operation at the Kalplats project is almost completed.

Exploration, along strike from the known Kalplats mineralisation in the Area of Influence and Stellex North projects continued with the objective of defining targets for drilling in the coming year. The ore grade PGM intersections obtained in our drilling program last year provide encouragement for further discoveries in our large regional holdings.

The Board of Directors are confident of the future of the platinum group metals and will continue to apply our growth strategy of focusing on the acquisition and development of low capital and operating cost PGM projects.

Finally I would like to thank all our employees and our Board members and in particular our Managing Director, John Lewins, for his tireless efforts on behalf of the Company in what has been a challenging year. I would also like to thank our shareholders for their support and encouragement.



PETER D ALLCHURCH
Chairman

REVIEW OF COMPANY ACTIVITIES

OVERVIEW

The period under review has been possibly the most challenging that our Company has faced, dealing not only with the aftermath of the Global Financial Crisis, but also the challenges associated with the start up of our first operation in South Africa. The gradual recovery of the World economies, and especially those such as China, has seen some recovery in PGM prices, with the platinum price increasing from US\$1,200/oz at the start of the period to just over US\$1,500/oz by June 2010. The recovery of the palladium price has been considerably more significant increasing from US\$250/oz to US\$450/oz during the same period, while rhodium has also shown a significant increase from US\$1,450/oz to US\$2,500/oz.

The recovery in PGM prices, combined with the improving performance of our **Smokey Hills Mine** will, we believe, provide an opportunity for our Company to consolidate and then build our production capacity through the development of our advanced Kalahari Platinum and Rooderand Platinum projects.

The ramp up to full production from underground operations at our **Smokey Hills Mine** has been hampered by the impact of a large shallow pot hole which was encountered between adits 4 and 5. While modifications to the mine design will allow the majority of ore affected by the pot hole to be recovered, the time required to implement the changes has caused a significant delay in achieving design production. A more significant impact to production has been the failure of the appointed mining contractor to achieve the contractual production levels. The completion of work necessary to open up new mining areas and in addressing the performance of the contractor is expected to see design production from the underground mine achieved in the March Quarter of the coming year.

At the **Kalahari Platinum Project** we completed a Pre Feasibility Study ("PFS") on the development of an open pit mine producing and processing 1.5 MTPA of ore to produce up to 130,000 ozs 3E per annum. This study found the project to be commercially and technically viable. The results from the Definitive Feasibility Study ("DFS") are due to be released shortly and initial indications from the DFS are that the project would have a capital cost in the order of ZAR1.1 billion to develop and an operating cost of less than US\$400 per oz 3E in concentrate.

The Company has also achieved significant progress on the **Rooderand Platinum Project** located on the western limb of the Bushveld Igneous Complex in South Africa. We have completed a comprehensive drilling program comprising over 240 diamond drill holes and have a Pre Feasibility Study under way on the project. The PFS is based on an initial open pit with the potential to produce over 100,000 ozs 4E over an estimated five year life, followed by a shallow underground operation down to ~500m accessed by declines.

CORPORATE

The Company undertook a placement of 37.5 million new ordinary shares at \$0.81 to raise \$30 million in October 2009

The funds from the Placement were used to retire the debt in regard to the construction of the Smokey Hills Platinum Mine, allowing the Company to crystallize the value in the Smokey Hills platinum and palladium hedge book; develop existing projects; fund acquisitions and development of new projects; and for general working capital.

MARKET REVIEW

The PGM market has shown positive signs of recovery of the review period on the back of a gradual recovery from the Global Financial Crisis. There are a number of key issues that we believe will drive the performance of the PGM market and prices going forward.

Demand

Jewellery demand for platinum grew dramatically by over 45% in 2009, primarily in China, largely compensating for the reduction in demand in other sectors as a result of the GFC. With China accounting for over 60% of this demand, it is expected to remain robust going forward, although a combination of recovery in demand from other sectors and a higher metal price is expected to see some pull back from the record high demand in 2009.

Automotive demand dropped dramatically in 2009 as a result of the GFC, with palladium down almost 10% and platinum down almost 40%. This is expected to show a significant recovery in 2010, with further growth as the recovery in the World economy gathers pace.

China became the largest market for PGM's for the first time in 2009 as a result of strong growth in the platinum Jewellery market and in the palladium autocatalyst market. With a PGM demand of over 3 Mozs and domestic production of approximately 100,000 ozs this has significant implications for the PGM industry in the future.

Supply

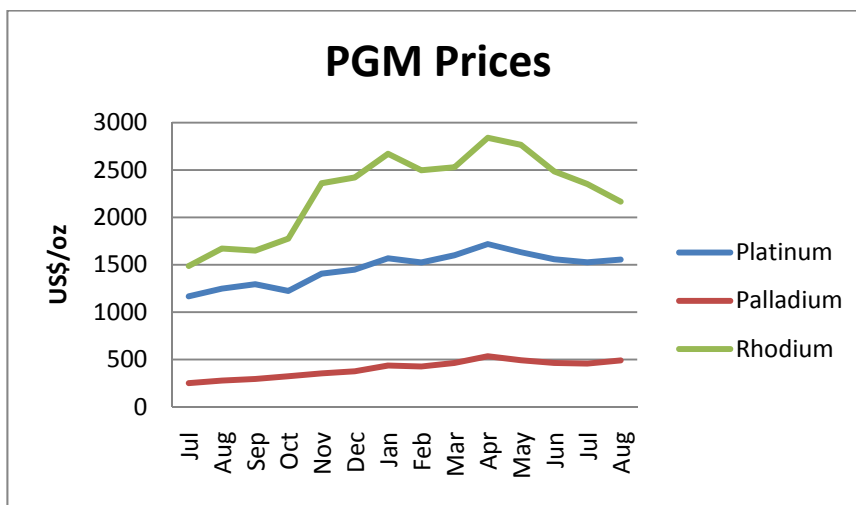
South Africa produces approximately 80% of the World's platinum and 35% of its palladium. The South African mines are facing very significant cost pressures; power costs projected to increase by 25% per annum over the next two years; labour costs, which account for ~50% of cash costs, increasing at multiples of inflation; the strong Rand; increasing depths; and decreasing grades. Additional challenges include a growing skills shortage, increasing Labour unrest and ongoing safety issues.

Currently the only significant potential to develop significant **New Mines** is in South Africa and Zimbabwe. New mines in this region will be primarily underground operations and the challenges faced in developing these includes inherent country risk; long lead times of up to five years or longer; high and increasing capital cost and eroding margins for underground operations.

Price

As can be seen from the graph below, there has been a steady recovery in PGM prices over the review period, with the platinum price increasing from US\$1,200/oz in June 2009 to US\$1,560/oz by early September 2010, the palladium price increasing from US\$250/oz to US\$530/oz and the rhodium price from US\$1,450/oz to US\$2,100/oz.

There is considerable evidence to suggest that it will become increasingly difficult for supply to meet the projected growth in demand suggesting the market fundamentals will remain positive for PGM's for some time.



SMOKEY HILLS PLATINUM MINE

Platinum Australia moving to 69.75%

The Smokey Hills Project is located on the eastern limb of the Bushveld Complex on the farm Maandagshoek 254 KT, Mineral Portion 4, which is in the Limpopo Province of South Africa, 300 kilometers (km) north-east of Johannesburg.

The Project consists of two adjacent hills rising some 400m above the adjacent 'Steelpoort Valley' floor and has some 6 km of mapped UG2 PGM reef outcropping around the margins of two hills. As of July 2010, the Project had a measured and indicated mineral resource of 4.7 million tonnes at a grade of 5.63 g/t 4E PGM (platinum, palladium, rhodium and gold) containing 0.85 million ozs 4E PGM.

The Project is covered by a Mining Right in the name of PhokaThaba Platinum Pty Ltd ("PTP"), a joint venture company in which PLA is increasing to a 69.75% direct interest and a beneficial interest of approximately 85%. The balance is held by a consortium of Black Economic Empowerment ("BEE") Groups, including the Local Community with just over 9%.

PLA commenced construction of the mine, processing plant and related infrastructure in November 2007 following the issuing of the Mining Right. Open pit mining commenced in January 2008 and underground mine development commenced in September 2008. Commissioning of the processing plant commenced in January 2009. The underground mine is a relatively shallow operation with multiple on-reef adit access and production by means of conventional breast and up-dip stoping. Blasted stope ore is scraped down to mucking bays in the reef drives and loaded by Load Haul Dump (LHD) machines into haul trucks for transport to the processing plant.

The Smokey Hills Platinum Mine is designed to produce an average of 95,000 oz 4E PGM per annum at full production and will have one of the lowest operating costs in the industry.

Operations

Open pit mining was completed in December 2009 and treating of stockpiled open pit ore was completed in February 2010. The ramp up to full production from the underground mine has been significantly affected by a large shallow pot hole between adits 4 and 5 which had not been identified in the resource definition drilling or modelling. Modifications to the mine design will allow the majority of ore affected by this pot hole to be recovered, however the changes have resulted in major delays in accessing this ore.

In addition a more significant impact to production has been occasioned by the failure of the appointed mining contractor to achieve the contractual production levels. The causes of the contractor's inability to hit production levels are subject to ongoing investigation and are being addressed with the contractor. The completion of work necessary to open up new mining areas and in addressing the performance of the contractor is expected to see design production from the underground mine achieved in the March Quarter of the coming year.

The effect of the foregoing has been to extend the time taken to ramp up to full production by some 12 months.

The ramp-up of the plant throughput has been adversely affected by the lack of ore from underground. The plant did however achieve 90% of design throughput in the December Quarter on a combination of open pit and underground ore prior to the depletion of the open pit stockpile. Plant performance has improved from 68% recovery in the September Quarter to over 80% in the June Quarter as the blend of material treated has moved from predominantly oxide to entirely fresh underground ore.

The operation has been run on a combination of temporary power from the national power grid and diesel generators for the entire year. Permanent grid power was connected to the mine in September 2010 some 12 months later than quoted by the supplier. The availability of grid power will result in a reduction in operating costs of approximately \$0.5 million per month.

Production Statistics

		2010
Tonnes Milled	tonnes	519,584
Head Grade	g/t 4E	3.34
Recovery	%	70.0
4E PGM	ozs	37,655
Cash Cost	ZAR/tonne	505

Ore Reserves

Table 1 Smokey Hills Ore Reserve Estimate as at July 2010

		Tonnes (M)	4E PGM (g/t)
Hill 2	Proved Reserves	0.90	4.50
	Probable Reserves	0.55	4.41
	Sub-total Open Pit	1.45	4.47
Hill 3	Proved Reserves	1.93	4.85
	Probable Reserves	0.62	4.90
	Sub-total Underground	2.54	4.86
Total	Proved Reserves	2.83	4.74
	Probable Reserves	1.17	4.67
	Total Smokey Hills	3.99	4.72

KALAHARI PLATINUM PROJECT

Platinum Australia earning up to 49%

The Kalahari Platinum Project ("Kalplats") is located 350 km west of Johannesburg in the North West Province and approximately 25km north of the township Stella within a farming area with a population of approx. 2,500 inhabitants. The N18 national highway linking the towns of Mafikeng and Vryburg is located just south of the Project area. The topography is slightly undulating to flat-lying with the average surface elevation variable between 1,245m to 1,275m above mean sea level.

Platinum Australia Limited ("PLA") has a formal Joint Venture Agreement with African Rainbow Minerals Platinum (Proprietary) Ltd ("ARMplatinum") which provides for PLA to earn up to 49% of the Kalplats Project by completing a Definitive Feasibility Study ("DFS") on the project and making the Panton Metallurgical Process available for the project at no cost.

During the year the Company completed a Pre Feasibility Study ("PFS") based on the development of an open pit mine producing and processing 1.5 MTPA of ore to produce up to 130,000 ozs 3E per annum, which found the project to be commercially and technically viable. A summary of the results from the PFS are provided in Table 2 below. The PFS was based on mining and treating four of the eight deposits which have now been defined for the project.

A DFS is due for completion in September 2010 and initial indications from this study are that the project would have a capital cost in the order of ZAR1.1 billion to develop and an operating cost of less than US\$400 per oz 3E in concentrate. The DFS is based on mining the Measured and Indicated resources in seven of the known deposits at Kalplats down to an average depth of ~130 metres. No Inferred resources, which accounts for approximately half of the known resource have been included.

Table 2 Summary of Results from Kalplats PFS

Production	4E	~115,000 oz/annum
Ave Plant Recovery		73%
Operating Life		9 years
Cash Costs	4E	US\$340/oz
Basket Price	4E	US\$740/oz
Capital Cost		
Initial	US\$	\$91 Million
Deferred	US\$	\$3 Million
NPV (Pre Tax)		
5%	US\$	\$86 Million
10%	US\$	\$50 Million
IRR (Pre Tax)		25%
Cashflow (Pre Tax)	US\$	\$145 Million

Table 3 Metal Price and Exchange Rate Assumptions used in PFS

Exchange Rate	ZAR/US\$	9.0	
Metal Prices		US\$	ZAR
Platinum	Per oz	1250	11,250
Palladium	Per oz	275	2,475
Rhodium	Per oz	1550	13950
Gold	Per oz	900	8,100
Copper	Per tonne	6,000	54,000
Basket Price	Per oz 4E	740	6,660

Geology and Mineralisation

The Kalplats PGM mineralisation is located in the Stella greenstone belt, the western-most of three Archaean-age Kraaipan Greenstone belts in the North-West Province. The mineralisation is hosted within gabbros of the 3 billion year old Stella Layered Intrusion ("SLI"). The SLI is steeply dipping (80-85 degrees to the west-south-west) and is generally conformable with the meta-sediments and meta-volcanics of the Kraaipan greenstone sequence.

The fundamental geology of the mineralisation at Kalplats is similar to that of the Bushveld Complex. Both deposits are magmatic with PGM's accumulated in specific layers within a layered gabbro complex. The primary difference between the deposits is that the Bushveld mineralisation is accompanied by chromite (in the UG2 reef) and sulphur (in the Merensky reef), whereas at Kalplats the mineralisation is accompanied by magnetite.

The PGM mineralisation occurs as a package of parallel reefs hosted in magnetite gabbro within the near-vertically dipping SLI. The mineralised package is approximately 50m thick, but may be up to 100m thick due to duplication caused by faulting and or folding. The mineralisation is enriched in Platinum (Pt), Palladium (Pd) and some Gold (Au), but generally devoid of other PGM's. The mineralisation is offset to various degrees by NNE trending fault structures with the currently identified mineralisation totalling up to ~8 km combined strike length over the known deposits.

The mineralisation in the SLI can be subdivided into several distinct reefs on the basis of precious metal grade and metal ratios. Lower and high-grade reefs are defined by lower cut-off grades of 0.5 g/t 2PGE+Au and 1.5 g/t 2PGE+Au respectively, over ≥ 1 m down-hole width (2PGE+Au = Pt + Pd + Au).

Resource

The Mineral Resource estimates for the Crux, Orion, Sirius, Mira, Serpens North, Vela and Crater Deposits have been developed by Coffey Mining Specialists ("Coffey") and are based on a 0.5 g/t 3E PGM cut off and extend to a depth of approximately 200 metres below soil cover, except for Crater which has been taken to a depth of 350 metres. They have been classified as Measured, Indicated and Inferred Mineral Resources and reported in Table 4 according to the guidelines of the JORC Code (2004). The Mineral Resource estimate for the Serpens South Deposit was developed by Harmony Gold and is based on a 0.5 g/t 3E PGM cut off, extending to a depth of 150 metres below surface.

When compared to the previous Harmony and Snowden estimate, the changes in the Mineral Resource estimates for the deposits are a function of increased drilling by PLA, which has improved the confidence and understanding of the continuity and structure of the mineralised layers. In addition the estimates were enhanced by the application of computer aided structural modelling and geostatistical estimation techniques applied by Coffey. The structural geological interpretation was aided by the data from a high resolution aeromagnetic survey completed by PLA which covers all of the Kalplats deposits.

Project Development

Following the completion of the DFS due in September 2010, the Joint Venture partners have 120 days to consider the results of the DFS and make a decision regarding the development of the project. The Company anticipates that following this process and assuming the partners agree to develop the project, an application for a Mining Right could be made in early 2011, with an expectation that this could be issued by the end of 2011. This would allow development of the project to commence in early 2012, with commissioning in early to mid 2013 following a 15 to 18 month construction period.

Table 5 Combined Coffey plus Harmony Resource Estimate

Deposit		Total Resource ³			Main Reef Resource ²			High Grade Resource ^{1,4}		
		Tonnes	Grade	Ozs	Tonnes	Grade	Ozs	Tonnes	Grade	Ozs
Crater ⁵	Measured	1,337,500	1.89	81,130	695,000	2.52	56,270	459,000	3.50	51,520
	Indicated	6,215,500	1.85	370,500	2,414,000	2.37	184,230	2,640,000	2.99	254,000
	Inferred	18,663,000	2.11	1,267,900	8,434,000	2.68	726,240	8,540,000	3.26	896,070
	Total	26,216,000	2.04	1,719,530	11,543,000	2.60	966,740	11,639,000	3.21	1,201,590
Crux ⁵	Measured	7,698,000	1.55	383,370	3,360,000	2.04	220,320	1,716,000	2.96	163,430
	Indicated	10,882,000	1.40	489,880	5,239,000	1.62	272,580	1,905,000	2.55	156,030
	Inferred	9,458,000	1.35	410,190	4,348,000	1.53	213,860	1,470,000	2.47	116,720
	Total	28,038,000	1.42	1,283,440	12,947,000	1.70	706,760	5,091,000	2.66	436,180
Orion ⁵	Measured	4,201,000	1.57	211,720	1,983,000	2.15	136,960	995,000	3.29	105,400
	Indicated	4,011,000	1.56	202,450	1,841,000	2.15	127,010	856,000	3.42	94,130
	Inferred	3,644,000	1.61	189,040	1,773,000	2.14	121,740	869,000	3.28	91,600
	Total	11,856,000	1.58	603,210	5,597,000	2.14	385,710	2,720,000	3.33	291,130
Vela ⁶	Indicated	21,790,000	1.36	949,910	8,474,000	2.09	570,770	4,579,000	3.11	458,090
	Inferred	14,872,000	1.32	629,770	6,329,000	2.07	420,800	3,591,000	3.02	348,350
	Total	36,662,000	1.34	1,579,680	14,803,000	2.09	991,570	8,170,000	3.07	806,440
Sirius ⁵	Measured	802,000	1.52	39,070	378,000	2.13	25,810	185,000	3.32	19,740
	Indicated	5,305,000	1.49	254,540	2,086,000	2.13	142,960	1,116,000	3.12	111,770
	Inferred	3,377,000	1.27	137,880	639,000	2.03	41,620	270,000	3.40	29,510
	Total	9,484,000	1.42	431,490	3,103,000	2.11	210,390	1,571,000	3.19	161,020
Mira ⁵	Indicated	2,708,000	1.42	123,720	931,000	2.31	69,020	461,000	3.55	52,510
	Inferred	3,925,000	1.44	181,090	1,315,000	2.49	105,310	731,000	3.60	84,750
	Total	6,633,000	1.43	304,810	2,246,000	2.41	174,330	1,192,000	3.58	137,260
Serpens North ⁵	Indicated	4,962,000	1.41	224,620	2,057,000	1.95	129,180	861,000	3.15	87,180
	Inferred	2,741,000	1.47	129,330	1,142,000	1.90	69,630	408,000	3.31	43,460
	Total	7,703,000	1.43	353,950	3,199,000	1.93	198,810	1,269,000	3.20	130,640
Serpens South ⁶	Inferred	10,762,000	1.34	462,020	5,890,000	1.71	324,230	848,000	5.10	138,980
Total		137,354,000	1.53	6,738,130	59,328,000	2.08	3,958,540	32,500,000	3.16	3,303,240

¹ Includes the high grade UM (+UUM in Crater and Vela) and LM Reefs

² Includes the UM (+UUM in Crater and Vela), Main Reef Residual and LM, which constitute the Main Reef

³ Includes the UM, UUM, LM, MR, LG, MMW and the Main Reef Residual layers, which is the total mineralised width for all seven layers

⁴ For Crater includes the UUM, UM, LM and the high grade MR layers

⁵ Coffey Mineral Resource estimates of Measured, Indicated and Inferred resources

⁶ Harmony Mineral Resource estimates of Inferred resources

KALPLATS AREA OF INFLUENCE PROJECT

Platinum Australia 50%

The Kalplats Area of Influence ("Aol") Project covers an area of approximately 20 kilometres to the north and 18 kilometres to the south of the Kalplats Project area along the strike of the Kraaipan Greenstone belt.

Limited site works have been undertaken on this project over the last twelve months. A drilling program is planned for early 2011 to follow up on the results from the previous program which included 5m @ 3.23 g/t 3E from 72m down hole in KE001, 6m @ 3.19 g/t 3E from 33m down hole in KE009 and 3m @ 3.38 g/t 3E from 53m down hole in KE008.

STELLELEX NORTH PROJECT

Platinum Australia 49%, earning up to 70%

The Stellex North Project covers an area of approximately 26 kilometres immediately to the north of the Aol along the strike of the Greenstone belt. An agreement was signed in January 2010 under with Japan Oil, Gas and Metals National Corporation ("JOGMEC") under which JOGMEC will earn an initial 35% interest in the Stellex North Project by providing US\$3.5 funding for exploration over the next 4 years.

An aeromagnetic survey was flown over the project area in March. In addition a detailed surface mapping and soil geochemistry sampling program have also been undertaken over the project. The results from this work have identified numerous targets which it is intended to drill in the late 2010 and early 2011.

ROODERAND PLATINUM PROJECT

Platinum Australia earning up to 70%

In May 2009 the Company signed a Heads of Agreement ("HOA") with Atla Mining Resources (Pty) Ltd ("Atla") to acquire up to 70% of the Rooderand Platinum Project located on the western limb of the Bushveld Igneous Complex in South Africa.

Under the terms of the HOA, PLA have earned an initial 30% interest in the project for the payment of ZAR13.5 million (AUS\$2 Million). PLA earn a further 35% interest for funding and completing a Definitive Feasibility Study on the project. PLA can then earn a further 5% for arranging the financing for the development of the project.

The previous explorer, Anglo Platinum Limited, reported in their 2006 Annual Report, a JORC compliant Inferred Resource for their (at the time) 45% attributable interest, of 5.3 million tonnes at a grade of 5.39 g/t 4E in the UG2 reef and 1.7 million tonnes at 7.99 g/t 4E in the Merensky. This is a total of 1.35 million for their 45% attributable interest, or an Inferred Resource for both reefs combined of 3.01 million ozs 4E on a 100% attributable basis.

Following the issuing of a Prospecting Right in November 2009, PLA immediately commenced a resource definition diamond drilling program. This program was completed in September 2010, with almost 240 diamond drill holes completed.

A Pre Feasibility Study ("PFS") is currently underway and is expected to be completed in the December Quarter. The PFS will focus on a two stage development with an initial open pit which it is estimated could contain between 0.5 and 1 million ozs 4E. This will be followed by the development of a shallow underground operation using declines to access the balance of the resources down to a depth of approximately 500 metres below surface.

PANTON PGM PROJECT

The Panton Project is located in the Kimberley region of Western Australia, 60 km north of Halls Creek.

The Company completed a Bankable Feasibility Study on the Project in August 2003. The BFS showed that the project was technically sound but not commercially viable at the prevailing PGM prices and US\$ exchange rate.

The BFS was based upon the following resource:

Top Reef	10.08 Mt @ 6.13 g/t PGM + Au
Middle Reef	4.22 Mt @ 2.99 g/t PGM + Au
Combined	14.3 Mt @ 5.2 g/t PGM + Au

This remains the largest and highest grade known resource in Australia. The Top Reef is of a higher grade than that mined in the average operation in South Africa, while its average width of 1.5 to 2.0 metres is significantly greater than the average 1 metre thickness mined in that country.

The project is currently on hold pending improvement in the PGM prices and the Company will continue to review and evaluate options for its development.

KATANNING PGM EXPLORATION PROJECT

This Project is covered by a joint venture with Accent Resources NL (“Accent”) under which they are currently undertaking exploration for non PGM minerals, primarily Vanadium and Titanium, on the Exploration Licence. PLA retains 100% of the PGM’s and associated minerals and a 1% net smelter royalty on other minerals which may be processed by Accent. Work completed by Accent during the year included 6 diamond drill holes which encountered anomalous titan vanadium values, but no significant PGM values. Other work included ground magnetic and soil sample traverses. Further follow up drilling is proposed for the coming year.

MELVILLE GOLD EXPLORATION PROJECT

Platinum Australia 25% free carry

A limited program of work was undertaken on the project during the year by Prosperity Resources Pty Ltd who retains a 75% interest in the project.

CORPORATE GOVERNANCE STATEMENT

Statement

Platinum Australia Limited ("**Company**") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("**Principles & Recommendations**"), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

Disclosure of Corporate Governance Practices

Summary Statement

	ASX P & R ¹	If not, why not ²		ASX P & R ¹	If not, why not ²
Recommendation 1.1	✓		Recommendation 4.3	✓	
Recommendation 1.2	✓		Recommendation 4.4 ³	n/a	n/a
Recommendation 1.3 ³	n/a	n/a	Recommendation 5.1	✓	
Recommendation 2.1	✓		Recommendation 5.2 ³	n/a	n/a
Recommendation 2.2	✓		Recommendation 6.1	✓	
Recommendation 2.3	✓		Recommendation 6.2 ³	n/a	n/a
Recommendation 2.4	✓		Recommendation 7.1	✓	
Recommendation 2.5	✓		Recommendation 7.2	✓	
Recommendation 2.6 ³	n/a	n/a	Recommendation 7.3	✓	
Recommendation 3.1	✓		Recommendation 7.4 ³	n/a	n/a
Recommendation 3.2	✓		Recommendation 8.1	✓	
Recommendation 3.3 ³	n/a	n/a	Recommendation 8.2	✓	
Recommendation 4.1	✓		Recommendation 8.3 ³	n/a	n/a
Recommendation 4.2	✓				

1 Indicates where the Company has followed the Principles & Recommendations.

2 Indicates where the Company has provided "if not, why not" disclosure.

3 Indicates an information based recommendation. Information based recommendations are not adopted or reported against using "if not, why not" disclosure – information required is either provided or it is not.

Website Disclosures

Further information about the Company's charters, policies and procedures may be found at the Company's website at www.platinumaus.com.au, under the section marked Corporate Governance. The Company's current charters, policies and procedures are now disclosed on the Company's website. A list of the charters, policies and procedures which are referred to in this Corporate Governance Statement, together with the recommendations to which they relate, are set out below.

Charters	Recommendation(s)
Board	1.3
Audit Committee	4.4
Nomination Committee	2.6
Remuneration Committee	8.3
Policies and Procedures	
Policy and Procedure for Selection and (Re)Appointment of Directors	2.6
Process for Performance Evaluation	1.2, 2.5
Policy on Assessing the Independence of Directors	2.6
Policy for Trading in Company Securities (summary)	3.2, 3.3
Code of Conduct (summary)	3.1, 3.3
Policy on Continuous Disclosure (summary)	5.1, 5.2
Procedure for Selection, Appointment and Rotation of External Auditor	4.4
Shareholder Communication Policy	6.1, 6.2
Risk Management Policy (summary)	7.1, 7.4

Disclosure – Principles & Recommendations

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the 2009/2010 financial year ("**Reporting Period**").

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1:

Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

Disclosure:

The Company has established the functions reserved to the Board and has set out these functions in its Board Charter. The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company has established the functions delegated to senior executives and has set out these functions in its Board Charter. Senior executives are responsible for supporting the Managing Director and assisting the Managing Director in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, then directly to the Chair or the lead independent director, as appropriate.

Recommendation 1.2:

Companies should disclose the process for evaluating the performance of senior executives.

Disclosure:

Performance evaluations of senior executives are undertaken by the Managing Director on an informal basis. The Managing Director's performance is evaluated by the Remuneration Committee on an informal basis.

Recommendation 1.3:

Companies should provide the information indicated in the *Guide to reporting on Principle 1*.

Disclosure:

During the Reporting Period an evaluation of senior executives took place in accordance with the process disclosed at Recommendation 1.2.

Principle 2 – Structure the board to add value**Recommendation 2.1:**

A majority of the Board should be independent directors.

Disclosure:

The Board has a majority of directors who are independent.

The independent directors of the Board are Peter Allchurch, Eric Hughes, William Hansen, and Michael Blakiston, and the non independent director of the Board is John Lewins.

Recommendation 2.2:

The Chair should be an independent director.

Disclosure:

The independent Chair of the Board is Peter Allchurch.

Recommendation 2.3:

The roles of the Chair and Chief Executive Officer should not be exercised by the same individual.

Disclosure:

The Managing Director is John Lewins who is not Chair of the Board.

Recommendation 2.4:

The Board should establish a Nomination Committee.

Disclosure:

The Board has established a Nomination Committee.

Recommendation 2.5:

Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

Disclosure:

The Chair is responsible for evaluation of the Board and, when deemed appropriate, Board committees and individual directors. The Nomination Committee is responsible for evaluating the Managing Director.

These evaluations are undertaken informally on an ongoing basis.

Recommendation 2.6:

Companies should provide the information indicated in the *Guide to reporting on Principle 2*.

Disclosure:**Skills, Experience, Expertise and term of office of each Director**

A profile of each director containing their skills, experience, expertise and term of office is set out in the Directors' Report.

Identification of Independent Directors

Peter Allchurch, Eric Hughes and William Hansen are independent directors of the Company. These directors are independent as they are non-executive directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

Michael Blakiston is also an independent director of the Company. Mr Blakiston is a principal of the firm Blakiston & Crabb. Blakiston & Crabb have been the main provider of legal services to the Company in respect of matters concerning Australian law. The Company pays legal fees on a normal commercial basis to Blakiston & Crabb. As a result of Mr Blakiston being a principal of Blakiston & Crabb he does not fit within paragraph 3 of the Company's Policy on Assessing the Independence of Directors. Mr Blakiston passes all other aspects of the Policy on Assessing the Independence of Directors. The Board (in the absence of Mr Blakiston) considers he is capable of, and demonstrates that he consistently makes decisions and takes actions which are designed to be for the best interests of the Company. The Board notes the fees paid to Blakiston & Crabb are not material to the Company and are not of a high enough level to be material to Mr Blakiston's practice or the firm Blakiston & Crabb. Therefore the Board considers Mr Blakiston to be independent.

Independence is measured having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Company's materiality thresholds. The materiality thresholds are set out below.

Company's Materiality Thresholds

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's Board Charter:

- Balance sheet items are material if they have a value of more than 10% of pro-forma net asset.
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, they could affect the Company's rights to its assets, if accumulated they would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, they are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

Statement concerning availability of Independent Professional Advice

To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Nomination Matters

There were no meetings of Nomination Committee held during the Reporting Period. The following table identifies those directors who are members of the Nomination.

Name
Peter Allchurch (Chair)
John Lewins
Michael Blakiston

Performance Evaluation

During the Reporting Period an evaluation of the Board, its committees, and individual directors took place in accordance with the process disclosed at Recommendation 2.6.

Selection and (Re)Appointment of Directors

In determining candidates for the Board, the Nomination Committee follows a prescribed procedure whereby it considers the balance of independent directors on the Board as well as the skills and qualifications of potential candidates that will best enhance the Board's effectiveness.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Each director other than the Managing Director must retire from office no later than third annual general meeting of the Company or 3 years following that director's last election or appointment, whichever is the longer. At each annual general meeting a minimum of one director or a third of the total number of directors must resign. The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. A director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment of directors is not automatic.

Principle 3 – Promote ethical and responsible decision-making**Recommendation 3.1:**

Companies should establish a Code of Conduct and disclose the code or a summary of the code as to the practices necessary to maintain confidence in the company's integrity, the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Disclosure:

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.2:

Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.

Disclosure:

The Company has established a policy concerning trading in the Company's securities by directors, senior executives and employees.

Recommendation 3.3:

Companies should provide the information indicated in the *Guide to reporting on Principle 3*.

Disclosure:

Please refer to the section above marked Website Disclosures.

Principle 4 – Safeguard integrity in financial reporting**Recommendation 4.1:**

The Board should establish an Audit Committee.

Disclosure:

The Company has established an Audit and Risk Management Committee.

Recommendation 4.2:

The Audit Committee should be structured so that it:

- consists only of non-executive directors
- consists of a majority of independent directors
- is chaired by an independent Chair, who is not Chair of the Board
- has at least three members.

Disclosure:

The Audit and Risk Management Committee comprises three independent non-executive directors - Eric Hughes, Michael Blakiston and William Hansen. Mr Hughes chairs the Audit and Risk Management Committee.

Recommendation 4.3:

The Audit Committee should have a formal charter.

Disclosure:

The Company has adopted an Audit and Risk Management Committee Charter.

Recommendation 4.4:

Companies should provide the information indicated in the *Guide to reporting on Principle 4*.

Disclosure:

The Audit and Risk Management Committee held two meetings during the Reporting Period. The following table identifies those directors who are members of the Audit and Risk Management Committee and shows their attendance at Committee meetings:

Name	No. of meetings attended
Eric Hughes (Chair)	2
Michael Blakiston	1
William Hansen	2

The members of the Audit & Risk Management Committee are well qualified to carry out the functions of the Audit & Risk Management Committee by virtue of their professional background, experience and personal qualities. Mr Hughes has over 22 years experience as an accountant, Mr Blakiston as over 27 years of experience advising on legal, corporate and commercial matters in the resources industry and is therefore well qualified by his industry knowledge, and Mr Hansen has financial expertise through his academic qualifications and practical experience in management and executive roles in the resources industry.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

Principle 5 – Make timely and balanced disclosure**Recommendation 5.1:**

Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure:

The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

Recommendation 5.2:

Companies should provide the information indicated in the *Guide to reporting on Principle 5*.

Disclosure:

Please refer to the section above marked Website Disclosures.

Principle 6 – Respect the rights of shareholders**Recommendation 6.1:**

Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Disclosure:

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

Recommendation 6.2:

Companies should provide the information indicated in the *Guide to reporting on Principle 6*.

Disclosure:

Please refer to the section above marked Website Disclosures.

Principle 7 – Recognise and manage risk**Recommendation 7.1:**

Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Disclosure:

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the Managing Director, who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Managing Director may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

The Board has established a separate Audit and Risk management Committee to monitor and review the integrity of financial reporting and the Company's internal financial control systems and risk management systems

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board has established authority limits for management which, if exceeded, will require prior Board approval;
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and
- the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

The Company has established systems to manage its material business risks. This system includes among other things the preparation of a risk register by management to identify the Company's material business risks and risk management strategies for these risks. The process of management of material business risks is the responsibility of the Managing Director, with assistance from senior executives. The risk register is subject to periodic review and updated, as required.

Recommendation 7.2:

The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

Disclosure:

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. Further, the Board has received a report from management as to the effectiveness of the Company's management of its material business risks.

Recommendation 7.3:

The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Disclosure:

The Managing Director and the Chief Financial Officer have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

Recommendation 7.4:

Companies should provide the information indicated in the *Guide to reporting on Principle 7*.

Disclosure:

The Board has received the report from management under Recommendation 7.2.

The Board has received the assurance from the Managing Director and the Chief Financial Officer under Recommendation 7.3.

Principle 8 – Remunerate fairly and responsibly**Recommendation 8.1:**

The Board should establish a Remuneration Committee.

Disclosure:

The Company has established a Remuneration Committee.

Recommendation 8.2:

Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Disclosure:

Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance. From time to time the Company may issue options to non-executive directors.

Pay and rewards for executive directors and senior executives consists of a base salary and performance incentives. Long term performance incentives may include options granted at the discretion of the Remuneration Committee and subject to obtaining the relevant approvals. Executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness.

Recommendation 8.3:

Companies should provide the information indicated in the *Guide to reporting on Principle 8*.

Disclosure:

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms part of the Directors' Report.

The Remuneration Committee held two meetings during the Reporting Period. The following table identifies those directors who are members of the Remuneration Committee and shows their attendance at Committee meetings:

Name	No. of meetings attended
Michael Blakiston (Chair)	2
Eric Hughes	2

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

The Company's Remuneration Committee Charter includes a statement of the Company's policy on prohibiting executives entering into transactions or arrangements which limit the risk of participating in unvested entitlements.

DIRECTORS' REPORT

The directors of Platinum Australia Limited ("Platinum" or "the Company") present their report and financial report of Platinum and its subsidiaries (collectively "the Group") for the financial year ended 30 June 2010.

1. DIRECTORS

The directors in office at any time during the year or since the end of the year are:

Mr Peter Donald Allchurch (Non-Executive Chairman – Age 67) B.Sc. FAusIMM, MPESA.

Mr Allchurch is a geologist with more than 40 years experience in mineral exploration, mining and petroleum exploration, development and production. Mr Allchurch has been an executive director of a number of listed Australian mining and oil and gas companies since 1980 and has considerable experience in corporate management.

Mr Allchurch was appointed as a Director on 21 June 2000.

Special Responsibilities

Chairman of the Board

Member of Nomination Committee

Mr John Derek Lewins (Managing Director – Age 52) Bsc (Mineral Eng), Grad Dip Management.

Mr Lewins is an engineer with more than 20 years experience in senior mining management roles, including development of mining projects from a resource stage through feasibility studies, commissioning of mines and sustained profitable mining operations.

Mr Lewins was appointed as a Director on 3 May 2001.

Special Responsibilities

Managing Director

Member of Nomination Committee

Mr Michael Gerrard Blakiston (Non-Executive Director – Age 52) B.Juris LLB

Mr Blakiston is a solicitor in the firm Blakiston & Crabb. For some 27 years he has practised extensively in the field of corporate and resource law and has had considerable experience in commercial and corporate management. Mr Blakiston is a director of Axiom Properties Ltd (2006) and Aurora Oil and Gas Ltd (since 2003) and Sundance Resources Limited (2010).

Mr Blakiston was appointed as a Director on 21 June 2000.

Former directorships of listed companies in last 3 years

Argentina Copper Ltd from 2006 to 2007

Vulcan Resources Limited 2002 to 2010

Rox Resources Limited 2003 to 2010

Special Responsibilities

Chairman of Remuneration Committee

Member of Audit Committee

Member of Nomination Committee

Mr Eric Edward Hughes (Non-Executive Director – Age 48) B.Bus, CPA

Mr Hughes is an accountant with some 22 years experience in both corporate and practice environments. During the last 15 years he has been directly involved in the management of petroleum and mining companies as a senior manager, executive and non-executive director. Mr Hughes is experienced in the evaluation, development and operation of resource projects.

Mr Hughes was appointed as a Director on 21 June 2000.

Special Responsibilities

Chairman of Audit Committee

Member of Remuneration Committee

Mr William A (Lex) Hansen (Non-Executive Director – Age 70), BSc (Geology and Metallurgy), MBA, FAusIMM, FAICD

Mr Hansen has more than 48 years experience in senior positions in the mining industry. His career has spanned exploration, mine operations and development, corporate finance, stockbroking and investment. His most recent position was Executive Director of Corporate Finance (Mining) at HSBC Bank Australia with regional responsibility for resources debt and equity investment appraisals and underwriting transactions. Mr Hansen is a director of Heemskirk Consolidated Limited and also Endocoal Limited.

Mr Hansen was appointed as a Director on 21 January 2004.

Former directorships of listed companies in last 3 years

Core Resources Limited from 2005 to 2008

Special Responsibilities

Member of Audit Committee

Ms Gillian Swaby (Company Secretary – Age 50) B.Bus, FCIS, FAICD

Ms Swaby has been involved in financial and corporate administration for listed companies, as both Director and Company Secretary covering a broad range of industry sectors, for over 25 years. Ms Swaby has extensive experience in the area of secretarial practice, management accounting and corporate and financial management and sits on a number of advisory committees.

Ms Swaby is past Chair of the Western Australian Council of Chartered Secretaries of Australia, a former Director on their National Board and lecturer for the Securities Institute of Australia. Ms Swaby is the principal of a corporate consulting company.

2. DIRECTORS' MEETINGS

The number of Directors' meetings and meetings of committees held in the period each Director held office during the financial year, and the number of meetings attended by each Director are:

	Board of Directors'		Audit Committee		Remuneration Committee		Nomination Committee	
	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend
Mr PD Allchurch	12	12	-	-	-	-	-	-
Mr JD Lewins	12	12	-	-	-	-	-	-
Mr MG Blakiston	10	12	1	2	2	2	-	-
Mr EE Hughes	10	12	2	2	2	2	-	-
Mr WA Hansen	12	12	2	2	-	-	-	-

3. PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were platinum and palladium exploration, development and production.

4. FINANCIAL RESULTS

The operating loss after income tax and minority interest of the Group for the financial year ended 30 June 2010 totalled \$16,286,512, (2009: \$14,847,887).

5. DIVIDENDS

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of dividend since the end of the previous financial year and to the date of this report.

6. REVIEW OF OPERATIONS

The Company's main operations are platinum-palladium exploration, development and production in Southern Africa and Australia. Please refer to the Review of Company Activities Report immediately preceding this Directors' Report for details of the Company's activities.

7. LIKELY DEVELOPMENTS

The Group intends to continue exploration, development and the production of Platinum Group Metals.

8. STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year not otherwise dealt with in this report.

9. REMUNERATION REPORT

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation

A Principles used to determine the nature and amount of remuneration

The Remuneration Committee, on behalf of the Board of Directors, monitors compensation of Directors and executives of the Company.

Generally, compensation is provided by the Company to its Directors and executives, by way of base salary, granting of employee options and superannuation. The overall objective is to ensure that remuneration is fair and reasonable and sufficient to attract and retain qualified and experienced Directors and executives.

The remuneration program for the Directors and executives of the Company is designed to ensure that the level and form of remuneration achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective Directors and executives;
- (b) motivating their short and long-term performance; and
- (c) aligning their interests with those of the Company's shareholders.

Given the evolving nature of the Company's business, the Remuneration Committee continues to review and redesign the overall compensation plan for Directors and executives so as to continue to address the objectives identified above.

Company Performance

The overall level of remuneration takes into account the growth in shareholder wealth of the Company via participation in the Employee Share Option Plan.

As a result of the exploration, development and early stages of production nature of the Company's activities the overall level of remuneration does not focus on the earnings of the Company.

Directors' Fees

Fees payable to Non-Executive Directors, other than the Chairman, are set at \$57,000 per annum, inclusive of any superannuation obligations. The Chairman receives \$78,000 per annum, inclusive of superannuation.

Compensation paid to the Managing Director is set out under Section C - Service Agreements.

In addition, the Company's Constitution provides for additional remuneration to be paid if any of the Directors are called upon to perform extra services or make any special exertions on behalf of the Company or the business of the Company.

The Directors may remunerate such Directors in accordance with such services or exertions, and such remuneration may be either in addition to or in substitution for the Directors' fees referred to above.

Base Salary

The first step to attracting and retaining talented, qualified and effective Directors and executives is paying base salaries which are competitive in the markets in which the Company operates. Competitive salary information on companies earning comparable revenues in a similar industry is compiled from a variety of sources, including surveys conducted by independent consultants and national and international publications.

The Remuneration Committee is responsible for assessing whether the measures are met and will take into account, amongst other things, the progress of the Company in meeting its objectives, the financial performance of the Company, and the growth in market capitalisation.

Company Employee Share Option Plan

The Company believes that encouraging its Directors and executives to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's Employee Share Option Plan taking into account a number of factors, including the amount and term of options previously granted, base salary and competitive factors. Options have also been issued to Directors pursuant to specific approval of shareholders as to the terms and conditions.

Information on the Employee Share Option Plan is set out under Section D - Share-based Compensation below. Options granted during the year included specific performance conditions that are required to be met by the Company in order for the options to vest.

B Details of Remuneration (this information has been audited)

Details of the remuneration of each Director are set out in the following tables.

Directors of the Company

	Year	Primary Salary/Fees \$	Post Employment Superannuation \$	Cash Bonus \$	Equity Options \$	Total \$
Mr PD Allchurch	2010	71,561	6,440			78,001
(Non-Executive Chairman)	2009	71,561	6,440	-	-	78,001
Mr JD Lewins	2010	550,000	14,461			564,461
(Managing Director)	2009	519,231	13,745	-	-	532,976
Mr MG Blakiston	2010	52,295	4,707			57,002
(Non-Executive Director)	2009	52,301	4,707	-	-	57,008
Mr EE Hughes	2010	52,295	4,707			57,002
(Non-Executive Director)	2009	52,301	4,707	-	-	57,008
Mr WA Hansen	2010	52,295	4,707			57,002
(Non-Executive Director)	2009	52,301	4,707	-	-	57,008
Total	2010	778,446	35,022	-	-	813,468
	2009	747,695	34,306	-	-	782,001

Specified Executives of the Company

	Year	Primary Salary/Fees \$	Post Employment Superannuation \$	Cash Bonus \$	Equity Options \$	Total \$
Mr DG Neill	2010	330,000	14,461	-	-	344,461
(Chief Financial Officer)	2009	300,000	13,745	-	-	313,745
Mr K Freeman	2010	166,701	-	-	111,205	277,906
(Chief Operating Officer SA) Platinum Australia SA (Pty) Ltd	2009	-	-	-	-	-
Mr RA Wallis	2010	215,056	-	-	-	215,056
(General Manager-Mining) Platinum Australia SA (Pty) Ltd	2009	187,338	-	-	-	187,338
Mr W Smart	2010	198,461	-	-	-	198,461
(General Manager) Smokey Hills Platinum (Pty) Ltd	2009	163,658	-	-	-	163,658
Mr GW Ramsay	2010	196,793	-	-	119,059	315,852
(General Manager Projects and Engineering) Platinum Australia SA (Pty) Ltd	2009	84,302	-	-	-	84,302
Total	2010	1,107,011	14,461	-	230,264	1,351,736
	2009	735,298	13,745	-	-	749,043

The Company paid legal fees on normal commercial terms to Blakiston & Crabb, a legal firm of which Mr Blakiston, a director of the Company, is a partner. The amount paid by the Company for the year ended 30 June 2010 to Blakiston and Crabb was \$66,611 (2009:\$41,869).

During the year, an amount of \$ nil (2009: \$8,388) was paid to a director related entity, Allchurch Communications, which is a business operated by the daughter of Mr Allchurch. This amount included, in addition to consultancy fees, reimbursement of associated costs such as graphic design and printing costs.

C Service Agreements

Remuneration and other terms of employment for the Managing Director are formalised in an employment contract with the Company pursuant to which he received a salary of \$550,000 and statutory superannuation of \$14,461. Options issued to Mr Lewins contain performance hurdles which must be achieved before they can be exercised, therefore enhanced corporate performance will return a financial benefit to Mr Lewins via those options. Performance hurdles are determined by the Board.

Messrs Allchurch, Blakiston, Hughes, and Hansen receive fees in cash. The fees are fixed and approved by shareholders and are not related to the performance of the Company. The Company's Constitution provides that directors may collectively be paid a fixed sum not exceeding the aggregate maximum per annum from time to time as determined by the Company. A director may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director.

Remuneration and other terms of employment for the Specified Executives of the Company are also formalised in an employment contract whereby they are entitled to a base salary inclusive of superannuation, and are entitled to participate in the Company Employee Share Option Plan.

D Share-based Compensation

Options are granted under the Company Employee Share Option Plan for no consideration. Options are granted for a five year period and entitlements to the options are vested as soon as performance conditions have been met. Options are exercisable in defined tranches with conditions attaching to each tranche to reflect the Company's development strategy and align the interests of Directors and executives to those of shareholders.

The amounts disclosed for emoluments relating to options are the assessed fair values at grant date of options granted to Directors and other executives, allocated equally over the period from grant date to expiry. Fair values at grant date are independently determined using the Binomial Tree Model method of valuation that takes into account the exercise price, the term of the option, the vesting and market related criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and the risk of the underlying share and the risk-free interest rate for the term of the option.

A summary of the performance conditions applicable to the options issued above are as follows:

1. Successful completion of a pre-feasibility study at Kalahari Platinum Project (vested 8 October 2009)
2. Successful completion of a bankable feasibility study at Kalahari Platinum Project
3. Commencement of production at Kalahari Platinum Project
4. Commencement of production at Smokey Hills Project (vested March 2009)
5. First drawdown on a bank facility for Smokey Hills (vested 23 April 2008)
6. The definition of 0.5Moz of PGM resource at the Kalahari Platinum Projects Area of Influence.
7. The definition of a further 1Moz of high grade (+3g/t) 3E PGM at Kalahari Platinum Project (vested 12 April 2009)
8. First drawdown on a bank facility for Kalahari Platinum Project
9. Completion of construction at Smokey Hills Project (vested 9 February 2009)
10. Achievement of 60,000tpm ore production from Smokey Hills underground mine
11. Achievement of "completion" at Smokey Hills (as defined in Standard Bank documents)
12. Successful completion of Bankable Feasibility Study at the Kalahari Platinum Project with a high grade resource greater than 2.5g/t resource = 2.5Moz
13. Commencement of construction at Kalahari Platinum Project
14. First commercial concentrate shipped at Kalahari Platinum Project
15. Additional 1Moz PGM outside of the Smokey Hills and Kalplats Projects is identified or acquired (vested 24 November 2009)
16. Commencement of production at the Panton Project, or any other project that the Company may acquire
17. First concentrate shipped from Smokey Hills mine (vested 12 March 2009)
18. Completion of open pit mining at Smokey Hills (vested December 2009)
19. Completion of first full (financial) year of production at Smokey Hills (vested 30 June 2010)
20. Achievement of 720,000 tonnes over a twelve month period from underground at Smokey Hills

21. Achievement of design production and recovery over a twelve month period at Smokey Hills
22. Smokey Hills quarterly cashflow meets or exceeds budget
23. Completion of Definitive feasibility Study for Rooderand 2.
24. The Company identifies or acquires an additional 1 million ounces of PGM's outside of Smokey Hills, Kalplats or Rooderand 2.

The following terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

Grant date	Expiry date	Performance condition	Exercise price	Value per option at grant date
21 December 2006	21 December 2011	12,13,14,15,16	\$1.25	62.9 cents
16 April 2007	6 June 2010	1,2,3,6,7	\$1.29	70.6 cents
30 June 2007	30 June 2011	2,3,4,5,6,7,8,9,10,11	\$1.74	46.7 cents
31 July 2008	31 July 2012	10,17,18,19,20,21	\$2.35	63.2 cents
31 July 2008	31 July 2012	10,11,17,19,21	\$2.41	58.6 cents
22 December 2009	31 July 2013	2, 3, 13	86 cents	47.6 cents
23 December 2009	31 December 2013	2, 3, 13, 22, 23	91.5 cents	51.0 cents
30 June 2010	30 April 2014	2, 13, 14, 23, 24	96 cents	22.8 cents

Options granted under the plan carry no dividend or voting rights.

The exercise price of the options is based on the weighted average price at which the Company's shares are traded on the Australian Securities Exchange during the week up to and including the date of grant.

Details of options over ordinary shares in the Company provided as remuneration to each Director of Platinum Australia Limited and each of the specified executives of the parent entity and the Group are set out below. When exercisable, each option is convertible into one ordinary share of Platinum Australia Limited.

Name	Number of options granted during the year		Number of options vested during the year		Number of options exercised during the year		
	2010	2009	2010	2009	2010	2009	Date
Directors of Platinum Australia Limited							
Mr JD Lewins	-	-	500,000	1,750,000	3,850,000		31 December
Mr PD Allchurch	-	-	-	-	1,850,000	-	31 December
Mr WA Hansen	-	-	-	-	200,000	-	31 October

Name	Number of options granted during the year		Number of options vested during the year		Number of options exercised during the year		
	2010	2009	2010	2009	2010	2009	Date
Specified Executives							
Mr DG Neill	-	-	50,000	150,000	50,000 100,000 100,000	-	28 February 30 April 24 June
Mr K Freeman	500,000	-	-	-	-	-	-
Mr RAG Wallis	-	-	30,000	80,000	90,000	-	30 November
Mr W Smart	-	-	-	100,000	-	-	-
Mr G W Ramsay	250,000	-	-	-	-	-	-

During the year 40,000 options held by Mr Wallis lapsed (2009:80,000) and 150,000 held by Mr Neill lapsed (2009: Nil).

10. DIRECTORS' INTERESTS IN SHARES AND OPTIONS OF THE COMPANY

	Fully Paid Shares	Options*
Mr PA Allchurch	8,257,753	-
Mr JD Lewins	5,194,868	3,000,000
Mr MG Blakiston	1,004,167	-
Mr WA Hansen	200,000	-
Mr EE Hughes	425,000	-

The particulars of Directors' interests in shares and options are as at the date of this report.

* Unlisted and exercisable at \$1.25 on or before 21 December 2011; 500,000 have vested at 30 June 2010.

11. SHARES UNDER OPTION

Non-issued ordinary shares of the Company under option at the date of this report are as follows:

Date options granted	Expiry date	Exercise price of options	Number under option
<i>Unlisted Options</i>			
21 December 2006	21 December 2011	\$1.25	3,000,000
16 April 2007	30 March 2011	\$1.29	100,000
30 June 2007	30 June 2011	\$1.74	900,000
28 July 2008	31 July 2012	\$2.41	100,000
28 July 2008	31 July 2012	\$2.35	115,000
31 July 2009	31 July 2013	\$0.86	250,000
31 December 2009	31 December 2013	\$0.915	150,000
30 June 2010	30 April 2014	\$0.96	600,000
7 September 2009	31 August 2011	\$1.05	1,428,571
31 December 2009	31 August 2011	\$1.05	1,428,571
31 March 2010	31 August 2011	\$1.05	1,428,571
30 June 2010	31 August 2011	\$1.05	1,428,571
Total			10,929,284

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity.

12. SHARES ISSUED ON THE EXERCISE OF OPTIONS

The following ordinary shares of the Company were issued during the year ended 30 June 2010 on the exercise of options. No amounts are unpaid on any of the shares.

Date options granted	Exercise price of options	Number under option
30 November 2005	\$0.37	395,000
25 November 2005	\$0.35	3,400,000
25 November 2005	\$0.20	2,500,000
18 July 2006	\$0.70	250,000

13. ENVIRONMENTAL COMPLIANCE

The Group is subject to a range of environmental laws and regulations in respect to its exploration and development activities.

The Company aims to ensure the appropriate standard of environmental care is achieved and, in doing so, that it is aware of and is in compliance with all relevant environmental legislation.

During the year, the Company met all reporting requirements in relation to the above environmental legislation. No circumstances arose which resulted in an incident to be reported under environmental legislation.

14. NON-AUDIT SERVICES AND AUDITOR INDEPENDENCE

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

During the year ended 30 June 2010, the auditor did not provide any non-audit services.

The Directors received an Independence Declaration from the auditor of the Company and a copy, as required under section 307C of the Corporation Act 2001 is set out on page 30.

15. INDEMNIFICATION OF OFFICERS

An indemnity agreement has been entered into with each of the Directors of the Company named earlier in this report. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities. There is no monetary limit to the extent of this indemnity.

During the financial year, the Company has paid premiums to insure the Directors and executives against certain liabilities arising out of their conduct while acting as an officer of the Company. Under the terms and conditions of the insurance contract, the nature of liabilities insured against and the premium paid cannot be disclosed.

Signed in accordance with a resolution of Directors.



JOHN D. LEWINS
MANAGING DIRECTOR
Perth, Western Australia
10 September 2010



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Platinum Australia Limited for the year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Platinum Australia Limited.

A handwritten signature in blue ink, appearing to read 'W M Clark'.

Perth, Western Australia
10 September 2010

W M CLARK
Partner, HLB Mann Judd

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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HLB Mann Judd (WA Partnership) is a member of  International and the HLB Mann Judd National Association of independent accounting firms

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

		Consolidated	
	Notes	2010 \$	2009 \$
Revenue from ordinary activities	2	51,810,466	13,969,586
Cost of sales		(57,336,789)	(20,132,126)
Other Income	2	7,932,510	3,883,680
Exploration expenditure		(6,469,460)	(5,242,133)
Impairment of loans to associate entities		(39,471)	(23,624)
Share based payments expense		352,812	(709,047)
Depreciation and amortisation expenses		(16,965,581)	(6,099,087)
Finance costs		(4,530,096)	(4,979,738)
Other expenses from ordinary activities	2	(7,694,552)	(7,603,190)
Loss before income tax expense		(32,940,161)	(26,935,679)
Income tax benefit	3	10,655,141	5,153,097
Loss after tax		(22,285,020)	(21,782,582)
Other comprehensive income/(expense)			
Exchange differences on translation of foreign operations		(4,044,374)	6,536,730
Changes in fair value of cash flow hedges		(756,618)	31,179,259
Income tax relating to components of other comprehensive income		211,853	(8,730,192)
Other comprehensive income/(expense) for the year, net of tax		(4,589,139)	28,985,797
Total comprehensive income/(expense) for the year		(26,874,159)	7,203,215
Profit/(loss) attributable to:			
Owners of the parent		(16,286,512)	(14,847,887)
Non-controlling interest		(5,998,508)	(6,934,695)
		(22,285,020)	(21,782,582)
Total comprehensive income/(expense) for the year is attributable to:			
Owners of the parent		(20,555,038)	6,901,756
Non-controlling interests		(6,319,121)	301,459
		(26,874,159)	7,203,215
Basic earnings per share (cents per share)	5	(5.3)	(6.4)
Diluted earnings per share (cents per share)	5	(5.3)	(6.4)

The accompanying notes form part of these financial statements

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010**

	Notes	Consolidated	
		2010 \$	2009 \$
Assets			
Current Assets			
Cash and cash equivalents	6	12,366,135	7,295,561
Receivables	7	8,550,749	5,411,969
Inventories	8	1,733,867	6,525,696
Other financial assets	9	-	6,610,844
Total Current Assets		22,650,751	25,844,070
Non-Current Assets			
Receivables	7	13,230,862	12,571,398
Other financial assets	9	769,305	17,054,873
Development costs capitalised	10	38,749,915	46,237,108
Property, plant and equipment	11	73,506,223	80,578,075
Deferred tax asset	3	12,467,132	7,209,746
Total Non-Current Assets		138,723,437	163,651,200
Total Assets		161,374,188	189,495,270
Liabilities			
Current Liabilities			
Trade and other payables		12,861,745	16,966,594
Provisions	13	693,353	567,641
Interest bearing liabilities	14	-	8,917,676
Current taxation payable	3	772,633	1,497,328
Total Current Liabilities		14,327,731	27,949,239
Non-Current Liabilities			
Payables		16,726	59,172
Provisions	13	3,178,119	3,030,757
Interest bearing liabilities	14	15,977,738	45,845,674
Deferred tax liability	3	10,151,859	18,614,709
Total Non-Current Liabilities		29,324,442	67,550,312
Total Liabilities		43,652,173	95,499,551
Net Assets		117,722,015	93,995,719
Equity			
Issued Capital	16	198,450,847	142,442,989
Reserves	16	8,085,609	16,187,501
Accumulated losses		(80,774,976)	(64,488,464)
Parent entity interest		125,761,480	94,142,026
Non-controlling interests	16	(8,039,465)	(146,307)
Total Equity		117,722,015	93,995,719

The accompanying notes form part of these financial statements

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	Consolidated	
		2010 \$	2009 \$
		Inflows/(Outflows)	
Cash flows from operating activities			
Receipts from customers		52,487,151	3,360,542
Payments to suppliers and employees		(6,207,465)	(4,943,664)
Payments for exploration activities		(3,521,159)	(6,131,006)
Payments for mining activities		(49,185,613)	(11,865,512)
Other income		5,013	2,012,543
Interest received		860,604	1,695,525
Finance charges		(2,183,673)	-
Income tax and royalty payments		(1,204,237)	-
Net cash (used in) operating activities	6(c)	(8,949,379)	(15,871,572)
Cash flows from investing activities			
Payment for purchase of non-current assets		(89,152)	(229,908)
Proceeds from sale of non-current assets		29,000	974
Payments for development costs		(23,423,186)	(48,273,041)
Payments for purchase of exploration tenements		(2,025,536)	-
Loans - related parties		103,878	(45,860)
Net cash (used in) investing activities		(25,404,996)	(48,547,835)
Cash flows from financing activities			
Proceeds from issue of shares		57,546,666	20,023,984
Costs associated with issue of shares		(2,321,927)	(904,563)
Funding from financial institutions		15,000,000	8,965,021
Repayments of loans from financial institutions		(48,662,210)	-
Receipt on closeout of hedges relating to project financing		18,959,594	-
Net cash provided by financing activities		40,522,123	28,084,442
Net increase/(decrease) in cash held		6,167,748	(36,334,965)
Effects of exchange rate changes on cash		(1,097,174)	2,251,367
Cash and cash equivalents at the beginning of the year		7,295,561	41,379,159
Cash and cash equivalents at the end of the year	6	12,366,135	7,295,561

The accompanying notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010**

Consolidated	Issued Capital	Accumulated Losses	Employee Benefits Reserve	Foreign Currency Translation Reserve	Hedge Accounting Reserve	Minority Contribution Reserve	Non- Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 30 June 2008	123,321,128	(50,088,343)	2,773,744	(11,654,704)	(3,137,015)	5,749,226	-	66,964,036
Loss after tax	-	(14,847,887)	-	-	-	-	(6,934,695)	(21,782,582)
Exchange differences on translation of foreign operations	-	-	-	6,989,385	-	-	(452,655)	6,536,730
Changes in fair value of cash flow hedges	-	-	-	-	20,500,358	-	10,678,901	31,179,259
Income tax relating to components of other comprehensive income	-	-	-	-	(5,740,100)	-	(2,990,092)	(8,730,192)
Total comprehensive income for the year	-	(14,847,887)	-	6,989,385	14,760,258	-	301,459	7,203,215
Shares placements	20,019,484	-	-	-	-	-	-	20,019,484
Share issue expense	(904,563)	-	-	-	-	-	-	(904,563)
Exercise of options	4,500	-	-	-	-	-	-	4,500
Employee options share based payment expense	-	-	709,047	-	-	-	-	709,047
Transfer to issued capital on exercise of employee options	2,440	-	(2,440)	-	-	-	-	-
Consolidation adjustment	-	447,766	-	-	-	-	(447,766)	-
Sub-total	19,121,861	(14,400,121)	706,607	6,989,385	14,760,258	-	(146,307)	27,031,683
Balance at 30 June 2009	142,442,989	(64,488,464)	3,480,351	(4,665,319)	11,623,243	5,749,226	(146,307)	93,995,719

The accompanying notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010**

Consolidated	Issued Capital	Accumulated Losses	Employee Benefits Reserve	Foreign Currency Translation Reserve	Hedge Accounting Reserve	Minority Contribution Reserve	Non- Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 30 June 2009	142,442,989	(64,488,464)	3,480,351	(4,665,319)	11,623,243	5,749,226	(146,307)	93,995,719
Loss after tax	-	(16,286,512)	-	-	-	-	(5,998,508)	(22,285,020)
Exchange differences on translation of foreign operations	-	-	-	(3,910,343)	-	-	(134,031)	(4,044,374)
Changes in fair value of cash flow hedges	-	-	-	-	(497,476)	-	(259,142)	(756,618)
Income tax relating to components of other comprehensive income	-	-	-	-	139,293	-	72,560	211,853
Total comprehensive income for the year	-	(16,286,512)	-	(3,910,343)	(358,183)	-	(6,319,121)	(26,874,159)
Share placements	55,535,516	-	-	-	-	-	-	55,535,516
Share issue expense	(2,324,927)	-	-	-	-	-	-	(2,324,927)
Exercise of options	2,011,150	-	-	-	-	-	-	2,011,150
Employee options share based payment expense	-	-	(352,812)	-	-	-	-	(352,812)
Transfer to issued capital on exercise of employee options	786,119	-	(786,119)	-	-	-	-	-
Finance charges share based payment expense	-	-	327,256	-	-	-	-	327,256
Transfer of hedge revenue	-	-	-	-	(3,021,691)	-	(1,574,037)	(4,595,728)
Sub-total	56,007,858	(16,286,512)	(811,675)	(3,910,343)	(3,379,874)	-	(7,893,158)	23,726,296
Balance at 30 June 2010	198,450,847	(80,774,976)	2,668,676	(8,575,662)	8,243,369	5,749,226	(8,039,465)	117,722,015

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis and is presented in Australian Dollars.

The Company is a listed public company incorporated in Australia and operating in Australia and South Africa.

The group has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the Statement of Comprehensive Income. As a consequence, the group had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

(b) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2010, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet mandatory for the year ended 30 June 2010. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

(c) Statement of Compliance

The financial report was authorised for issue on 10 September 2010, subject to final drafting and audit clearance.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Basis of Consolidation

The consolidated financial statements comprise the separate financial statements of Platinum Australia Limited ("Company") and its subsidiaries as at 30 June each year (the "Group"). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Business combinations have been accounted for using the acquisition method of accounting.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Consolidation (continued)

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Platinum Australia Limited.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Change in accounting policy

The group has changed its accounting policy for transactions with non-controlling interests and the accounting for loss of control, joint control or significant influence from 1 July 2009 when a revised AASB 127 Consolidated and Separate Financial Statements became operative.

Previously transactions with non-controlling interests were treated as transactions with parties external to the group. Disposals therefore resulted in gains and losses in profit and loss and purchases resulted in the recognition of goodwill. On disposal or partial disposal, a proportionate interest in reserves attributable to the subsidiary was reclassified to profit or loss or directly to retained earnings.

Previously when the group ceased to have control, joint control or significant influence over an entity, the carrying amount of the investment at the date control, joint control or significant influence ceased became its cost for the purposes of subsequently accounting for the retained interests in associates, jointly controlled entity or financial assets.

The group has applied the new policy prospectively to transactions occurring on or after 1 July 2009. As a consequence, no adjustments were necessary to any of the amounts previously recognised in the financial statements.

(e) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Binomial Tree model, using the assumptions detailed in Note 12.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Binomial Tree formula, taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 12 and 14.

ii) Provision for restoration and rehabilitation and dismantling plant and equipment

Provision for restoration and rehabilitation and dismantling plant and equipment is estimated taking into account estimates of expenditures based on information available at the balance sheet date. This estimate is based on the expenditure required to undertake the rehabilitation and dismantling, after taking into account the time value of money.

iii) Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next two years together with future tax planning strategies.

iv) Recovery of development costs capitalised and property, plant and equipment

The future recoverability of development costs capitalised and property, plant and equipment is dependent on a number of factors, including:

- estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- future production levels,
- future commodity prices and foreign exchange rates;
- future cash costs of production and capital expenditure;
- future technological changes;
- future legal changes (including changes to environmental restoration obligations);

In assessing the recoverability of these assets, the directors are required to make assumptions and estimates regarding future economic conditions. Significant variations to these assumptions and estimates could result in changes to the assessment of the recoverability of these assets. To the extent of any future determination that development costs capitalised or property, plant and equipment are not recoverable, profits and net assets in the period in which this determination is made will be reduced.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

(ii) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(g) Exploration, evaluation and exploration tenement acquisition expenditure

Exploration, evaluation and exploration tenement acquisition expenditure is expensed in the year in which it is incurred.

(h) Development expenditure

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Where commercial production of an area of interest has commenced, the associated costs are amortised over the estimated economic life of the mine on a units-of-production basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised.

Finance leased assets are depreciated on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(j) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Long-term deposits comprise funds held at call with a maturity date between 3 months and 1 year.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(k) Inventories

Inventories are valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward commodity price contracts to hedge its risks associated with commodity price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to net profit or loss for the year.

The fair value of forward commodity price contracts is calculated by reference to current forward prices for contracts with similar maturity profiles.

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability;
- cash flow hedges when they hedge exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction; or
- hedges of a net investment in a foreign operation.

A hedge of the foreign currency risk of a firm commitment is accounted for as a cash flow hedge.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(i) Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured to fair value and gains and losses from both are taken to profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit or loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)***(ii) Cash flow hedges*

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

Amounts taken to equity are transferred to the Statement of Comprehensive Income when the hedged transaction affects profit or loss, such as when hedged income or expenses are recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the Statement of Comprehensive Income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the Statement of Comprehensive Income.

(iii) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a similar way to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity while any gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recognised directly in equity is transferred to profit or loss.

(m) Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)***(ii) Financial assets carried at cost*

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(iii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(n) Foreign currency translation

Both the functional and presentation currency of Platinum Australia Limited and its Australian subsidiaries is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of the foreign operations, Platinum Australia SA (Pty) Ltd, Stella Platinum (Pty) Ltd, Platinum Rivers Project (Pty) Ltd, Stellex Platinum (Pty) Ltd, EL Platinum (Pty) Ltd, Smokey Hills Platinum (Pty) Ltd, Phokathaba Platinum (Pty) Ltd, Limpopo Platinum Holdings (Pty) Ltd, Bofule Platinum (Pty) Ltd, Vryberg Platinum (Pty) Ltd, PLA Platinum Investments (Pty) Ltd, Stella Platinum Mining (Mauritius), Smokey Hills Platinum Mining (Mauritius) and Rivers Platinum Mining (Mauritius), is South African Rand (ZAR).

As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of Platinum Australia Limited at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(o) Investment in associated entities**

The Group's investment in its associates are accounted for using the equity method of accounting in the consolidated financial statements, after initially being recognised at cost.

The associates are entities in which the Group has significant influence and which are neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. Goodwill included in the carrying amount of the investment in associate is not tested separately, rather the entire carrying amount of the investment is tested for impairment as a single asset. If an impairment is recognised, the amount is not allocated to the goodwill of the associate.

The consolidated Statement of Comprehensive Income reflects the Group's share of the results of operations of the associate, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivable and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

(p) Interest in a jointly controlled operation

The Group has interests in joint ventures that are jointly controlled operations. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The Group recognises its interest in the jointly controlled operation by recognising the assets that it controls and the liabilities that it incurs. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the jointly controlled operation.

(q) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

Platinum Australia Limited and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

Platinum Australia Limited recognises both its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(s) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is provided on all fixed assets so as to write off the assets progressively over their useful lives to the Group and is calculated using both the prime cost method and diminishing value method.

The principal depreciation rates used are as follows:

Mining plant and equipment		Units of Production basis over the life of the mine
Motor vehicles	20-22.5%	Prime Cost and Diminishing Value
Plant and equipment	20%	Prime Cost
All other assets	33%	Prime Cost

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. 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.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Impairment losses are recognised in the Statement of Comprehensive Income.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(t) Investments and other financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

Investments and other financial assets (continued)*(ii) Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Recoverable amount

Non-current financial assets measured using the cost basis were not carried at an amount above their recoverable amount, and when a carrying value exceeded this recoverable amount, the financial asset was written down to its recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(u) Impairment of assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(v) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(w) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

(y) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(z) Share-based payment transactions

The Group provides benefits to employees in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently in place an Employee Share Option Plan (ESOP), which provides benefits to directors and employees.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in Note 12.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Platinum Australia Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects;

- (i) the extent to which the vesting period has expired and
- (ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The charge or credit in the Statement of Comprehensive Income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

The Group provides benefits to employees in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 5).

(aa) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(ab) Earnings per share

Basic earnings per share is calculated as net result attributable to members of the parent, adjusted to exclude any costs of servicing equity or loss, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net result or loss attributable to members of the parent, adjusted for:

- costs of servicing equity; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(ac) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

Change in accounting policy

The Group has adopted AASB 8 Operating Segments from 1 July 2009. AASB 8 replaces AASB 114 Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in a change in the number of reportable segments presented by the Group as operating segments are reported in a manner that is consistent with internal reporting provided to the chief operating decision maker.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(ad) Trade and other receivables**

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the Statement of Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Comprehensive Income.

(ae) Interest-bearing loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**
NOTE 2: REVENUES AND EXPENSES

	Consolidated	
	2010	2009
	\$	\$
(a) Revenue		
Sale of concentrate	49,737,587	8,256,749
Interest received	2,072,879	5,712,837
	<u>51,810,466</u>	<u>13,969,586</u>
(b) Other income		
Management fees	26,400	26,400
Employee wages recharged to joint venture partners and subsidiaries	1,605,455	1,380,113
Hedge contribution	6,252,856	2,476,193
Profit on sale of equipment	-	974
Other	47,799	-
	<u>7,932,510</u>	<u>3,883,680</u>
(c) Other Expenses		
Auditor's remuneration		
- Audit and review of financial statements	165,936	206,135
ASX & AIM listing and maintenance fees	220,888	236,520
Conferences	133,629	43,606
Corporate investor relations expense	57,175	86,613
Corporate travel	362,783	307,032
Employee remuneration	3,894,537	3,247,228
Insurances	88,417	81,820
Network & database costs	36,063	63,103
Option premium write down	-	1,964,573
Mining related administration expenses	1,298,376	1,039,055
Other	1,436,748	327,505
	<u>7,694,552</u>	<u>7,603,190</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 3: INCOME TAX

	Consolidated	
	2010	2009
	\$	\$
The components of income tax benefit comprise:		
Current tax	772,633	1,497,328
Deferred tax	(11,637,739)	(6,348,698)
Effect of foreign currency translation	209,965	(301,727)
Income tax benefit recognised in profit or loss	(10,655,141)	(5,153,097)

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:

Accounting loss before income tax	(32,940,161)	(26,935,679)
Income tax benefit calculated at 30%	(9,882,048)	(8,080,704)
Effect of overseas tax rate	733,452	-
Non-deductible expenses	(489,906)	1,745,755
Other	-	329,432
Prior year over provision	(1,072,647)	-
Deferred exploration expenditure not recognised	1,245,855	-
Cost of tenement acquisition written off	563,542	-
Share based payments	(105,843)	-
Unrecognised tax losses/(used)	(1,647,546)	852,420
Income tax benefit	(10,655,141)	(5,153,097)

Deferred tax asset comprises:

Losses available for offset against future taxable income	7,582,722	6,549,074
Deferred exploration expenditure	639,247	660,672
Deferred tax asset in relation to property plant & equipment	4,391,786	-
Rehabilitation provision	(146,623)	-
Balance at 30 June 2010	12,467,132	7,209,746

Deferred tax liability comprises:

Fair value adjustment on put options and forward contracts	-	6,490,228
Fair value adjustment on acquisition	10,151,859	12,124,481
Balance at 30 June 2010	10,151,859	18,614,709

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

Deferred exploration expenditure	23,076,735	20,088,304
Tax losses	25,473,912	31,266,825
Potential benefit at applicable tax rate	48,550,647	51,355,129

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010****NOTE 3: INCOME TAX (continued)****Tax Consolidation**

Platinum Australia Limited and its 100% owned Australian resident subsidiaries implemented the tax consolidation legislation from 1 July 2003. The accounting policy for the implementation of the tax consolidation legislation is set out in note 1(q).

The entities in the tax consolidated group entered into a tax sharing agreement on adoption of the tax consolidation legislation which, in the opinion of the directors, limits the joint and several liability of the controlled entities in the case of a default by the head entity, Platinum Australia Limited.

Platinum Australia and its controlled entities have entered into a tax funding agreement under which the 100% owned Australian resident subsidiaries compensate Platinum Australia Limited for all current tax payable assumed and are compensated by Platinum Australia Limited for any current tax receivable and deferred tax assets which relate to unused tax credits or unused tax losses that, under the tax consolidation legislation, are transferred to Platinum Australia Limited. These amounts are determined by reference to the amounts which are recognised in the financial statements of each entity in the tax consolidated group.

The amounts receivable/payable under the tax funding agreement are due on receipt of the funding advice from Platinum Australia Limited, which is issued as soon as practicable after the financial year end. Platinum Australia Limited may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. These amounts are recognised as current intercompany receivables or payables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 4: SEGMENT REPORTING

Operating segments by business activity

Reporting information presented to the Managing Director is categorized by the following business activities; Corporate, Exploration, and Mining and Production.

Segment Information

The following table presents the revenue and result information regarding the segment information provided to the Managing Director for the years ended 30 June 2009 and 30 June 2010.

	Continuing operations			
	Corporate	Exploration	Mining and Production	Consolidated
	\$	\$	\$	\$
Year ended				
30 June 2010				
Segment revenue	1,860,255	-	49,950,211	51,810,466
Segment result	160,010	(6,410,971)	(16,034,059)	(22,285,020)
Segment assets	26,161,139	1,457,195	133,755,854	161,374,188
Segment liabilities	19,273,457	977,216	23,401,500	43,652,173
Included within segment result:				
Depreciation and amortisation	108,827	45,568	16,811,186	16,965,581
Interest revenue	1,865,062	-	207,817	2,072,879
Income tax benefit	2,752,048	-	7,903,093	10,655,141

	Continuing operations			
	Corporate	Exploration	Mining and Production	Consolidated
	\$	\$	\$	\$
Year ended				
30 June 2009				
Segment revenue	3,280,012	-	10,689,575	13,969,586
Segment result	(2,111,878)	(5,242,133)	(14,428,571)	(21,782,582)
Segment assets	34,437,067	20,038	155,038,164	189,495,270
Segment liabilities	12,150,797	38,220	83,310,534	95,499,551
Included within segment result:				
Depreciation and amortisation	155,508	3,516	5,940,063	6,099,087
Interest revenue	5,658,537	-	54,300	5,712,837
Income tax benefit	(1,218,860)	-	6,371,957	5,153,097

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**
NOTE 5: LOSS PER SHARE

	Consolidated	
	2010	2009
	Cents per share	Cents per share
<i>Basic loss per share:</i>	(5.3)	(6.4)
<i>Basic loss per share</i>	\$	\$
The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:		
Loss (refer (i))	(16,286,512)	(14,847,887)
Weighted average number of ordinary shares for the purposes of basic loss per share	305,672,732	230,932,791
(i) Loss used in the calculation of total basic loss per share reconciles to net loss in the Statement of Comprehensive Income as follows:		
Net loss	(22,285,020)	(21,782,582)
Losses attributable to non-controlling interests	5,998,508	6,934,695
Loss used in the calculation of basic loss per share	(16,286,512)	(14,847,887)
<i>Diluted loss per share</i>		
Diluted earnings per share has not been disclosed as it is not materially different from the basic earnings per share.		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**
NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated	
	2010	2009
	\$	\$
Cash at bank and on hand	337,031	1,612,160
Short-term deposits (b)	12,029,104	5,683,401
	<u>12,366,135</u>	<u>7,295,561</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Long-term deposits are made for periods between 3 months and 1 year, earning interest at the respective long-term rates. As they mature they are reinvested according to the cash requirements of the Group into further short-term and long-term deposits.

(a) Reconciliation to Statement of Cash Flows

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the Statement of Cash Flows are reconciled to the related items in the Statement of Financial Position:

Cash and cash equivalents	12,366,135	7,295,561
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(b) Cash balances restricted for use

Included in this balance is an amount of \$116,500 (2009: \$116,500) which is used as security for Department of Industry and Resources performance bonds amounting to \$116,500 (2009: \$116,500).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**
NOTE 6: CASH AND CASH EQUIVALENTS (continued)

	Consolidated	
	2010	2009
	\$	\$
(c) Reconciliation of loss for the year to net cash flows from operating activities		
Loss for the year	(22,285,020)	(21,782,582)
Depreciation and amortisation	16,965,581	6,099,087
Income tax benefit	(10,655,141)	(5,153,097)
Impairment of loan to associated entity	39,471	23,624
Option premium write down	-	1,964,573
Development expenses not capitalised	14,148,377	3,017,115
Non-cash expenditure	2,346,422	4,379,773
Employee options	(352,812)	709,047
Non-cash income	(6,252,856)	(5,423,825)
<i>Change in net assets and liabilities, net of effects from acquisition and disposal of businesses:</i>		
<i>(Increase)/decrease in assets:</i>		
Current receivables	(3,138,780)	(2,637,816)
Inventories	4,791,829	(6,525,696)
<i>Increase/(decrease) in liabilities:</i>		
Current payables	(4,104,829)	6,546,351
Other current liabilities	(598,983)	1,790,988
Non-current provisions	147,362	1,120,886
Net cash from operating activities	<u>(8,949,379)</u>	<u>(15,871,572)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**
NOTE 7: RECEIVABLES

	Consolidated	
	2010	2009
	\$	\$
<i>Current</i>		
Other receivables & prepayments	8,550,749	5,411,969
<i>Non-Current</i>		
Loan to associated entity	250,933	265,914
Less accumulated impairment	(250,933)	(211,462)
	-	54,452
Loans to Joint Venture Participants	23,117	90,577
Loans to Smokey Hills Project participants	13,207,745	12,426,369
	13,230,862	12,516,946
	13,230,862	12,571,398

NOTE 8: INVENTORIES

	Consolidated	
	2010	2009
	\$	\$
<i>Inventories</i>		
Ore and concentrate stockpile	525,132	1,452,779
Over burden costs relating to ore stockpile	-	4,431,755
Consumables & strategic spares	1,208,735	641,162
	1,733,867	6,525,696

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 9: OTHER FINANCIAL ASSETS

	Consolidated	
	2010	2009
	\$	\$
<i>Current</i>		
Purchased Platinum and Palladium Forward contracts	-	2,645,711
Purchased Platinum and Palladium Put Option contracts	-	3,965,133
	-	6,610,844
<i>Non-Current</i>		
Purchased Platinum and Palladium forward contracts	-	17,054,873
Investment in relation to Rehabilitation Trust	769,305	-
	769,305	17,054,873

NOTE 10: DEVELOPMENT COSTS CAPITALISED

	Consolidated	
	2010	2009
	\$	\$
Costs carried forward in respect of:		
Development phase – at cost		
Tenement acquisition during development	44,861,160	44,861,160
- Less amortisation	(7,573,213)	(1,932,351)
Expenditure incurred	989,429	989,429
- Less amortisation	(156,850)	(40,021)
Rehabilitation provision capitalised	1,800,624	1,800,624
- Less amortisation	(365,315)	(135,227)
Exchange differences	(805,920)	693,494
Total development expenditure	38,749,915	46,237,108

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Where commercial production in an area of interest has commenced, the associated costs are amortised over the estimated economic life of the mine on a units-of-production basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2010	2009
	\$	\$
Plant, equipment, vehicles and furniture - cost	90,186,522	85,224,175
Less: Accumulated depreciation	(16,680,299)	(4,646,100)
Total Property Plant & Equipment	73,506,223	80,578,075

Reconciliation:	Mining Plant & Infrastructure	Motor Vehicles	Plant & Equipment	Office Furniture	Total
	\$	\$	\$	\$	\$
2010					
Opening written down value	80,040,947	265,567	255,984	15,577	80,578,075
Additions	9,150,721	59,636	55,936	9,380	9,275,673
Disposals/transfers	(1,486,776)	(19,506)	(47,243)	-	(1,553,525)
Depreciation	(11,467,103)	(83,319)	(113,468)	(7,747)	(11,671,637)
Exchange differences	(3,104,351)	(10,182)	(7,160)	(670)	(3,122,363)
Closing written down value	73,133,438	212,196	144,049	16,540	73,506,223
2009					
Opening written down value	30,188,736	196,878	265,475	24,891	30,675,980
Additions	47,594,261	112,766	62,906	7,686	47,777,619
Disposals/transfers	-	-	-	(2,715)	(2,715)
Depreciation	(3,792,534)	(78,789)	(100,805)	(16,540)	(3,988,668)
Exchange differences	6,050,484	34,712	28,408	2,255	6,115,859
Closing written down value	80,040,947	265,567	255,984	15,577	80,578,075

Including in mining plant and infrastructure are capitalised borrowing costs as follows:

	Consolidated	
	2010	2009
Borrowing costs incurred	-	4,544,814
Investment revenue earned on borrowed funds	-	(499,817)
Borrowing costs capitalised	-	4,044,997

The interest rate on the capitalised interest was 10.97%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 12: SHARE BASED PAYMENT PLANS

Employee Share Option Plan

Options are granted under the Company Employee Share Option Plan for no consideration. Options are granted for a period of 3 to 5 years and entitlements to the options are vested as soon as performance conditions have been met. Options are exercisable in defined tranches with conditions attaching to each tranche to reflect the Company's development strategy and align the interests of Directors and executives to those of shareholders.

The expense recognised in the Statement of Comprehensive Income in relation to share based payments amounts to \$(352,812) (2009: \$709,047). The amount assessed at fair value at grant date of the options is allocated equally over the period from grant date to vesting date. Fair values at grant date are independently determined using the Binomial Tree Model method of valuation that take into account the exercise price, the terms of the option, the vesting and market related criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and the risk of the underlying share and the risk free interest rate for the term of the option.

The following table illustrates the number and weighted average exercise price of, and movements in, share options issued during the year:

	2010 Number	2010 Weighted average exercise price (¢)	2009 Number	2009 Weighted average exercise price (¢)
Outstanding at the beginning of the year	11,295,000	81.52	10,965,000	69.69
Granted during the year	1,100,000	106.30	565,000	225.44
Exercised during the year	(6,545,000)	30.73	(20,000)	22.50
Expired or cancelled during the year	(635,000)	144.48	(215,000)	129.10
Outstanding at the end of the year	5,215,000	132.01	11,295,000	81.52

The outstanding balance as at 30 June 2010 is represented by:

- 3,000,000 options over ordinary shares with an exercise price of \$1.25 each, 500,000 of which had vested at 30 June 2010, exercisable by 21 December 2011;
- 100,000 options over ordinary shares with an exercise price of \$1.29 each, 40,000 of which had vested at 30 June 2010, exercisable by 6 March 2011;
- 900,000 options over ordinary shares with an exercise price of \$1.74 each, 350,000 of which had vested at 30 June 2010, exercisable by 30 June 2011;
- 115,000 options over ordinary shares with an exercise price of \$2.35 each, 75,000 of which had vested at 30 June 2010, exercisable by 31 July 2012;
- 100,000 options over ordinary shares with an exercise price of \$2.41 each, 60,000 of which had vested at 30 June 2010, exercisable by 31 July 2012;
- 250,000 options over ordinary shares with an exercise price of \$0.86 each, none of which had vested at 30 June 2010, exercisable by 31 July 2013;
- 150,000 options over ordinary shares with an exercise price of \$0.915 each, none of which had vested at 30 June 2010, exercisable by 31 December 2013; and
- 600,000 options over ordinary shares with an exercise price of \$0.96 each, none of which had vested at 30 June 2010, exercisable by 30 April 2014.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 12: SHARE BASED PAYMENT PLANS (continued)

The following table lists the inputs to the model used for the years ended 30 June 2009 and 30 June 2010:

	2010	2009
Volatility (%)	78-84%	55.31 - 62.16%
Risk-free interest rate (%)	4.61-5.17%	6.338 – 6.528%
Expected life of option (years)	4 years	4yrs
Exercise price (cents)	\$0.86-\$1.05	\$2.11 - \$2.41
Weighted average share price at grant date (cents)	\$0.84	\$2.28

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

The fair value of the cash-settled options is measured at the grant date using the Binomial Tree option pricing model taking into account the terms and conditions upon which the instruments were granted. The services received and a liability to pay for those services are recognised over the expected vesting period. Until the liability is settled it is re-measured at each reporting date with changes in fair value recognised in profit or loss.

NOTE 13: PROVISIONS

	Consolidated	
	2010	2009
	\$	\$
Current		
Annual leave	547,541	384,312
Long service leave	145,812	183,329
	693,353	567,641
Non-Current		
Environmental rehabilitation	3,178,119	3,030,757
Total Provisions	3,871,472	3,598,398

The number of employees of the Group at balance date was 45 (2009:29).

NOTE 14: INTEREST BEARING LIABILITIES

	Consolidated	
	2010	2009
	\$	\$
Current		
Bank Loan – secured	-	8,917,676
Non-Current		
Bank Loan – secured	15,000,000	44,925,573
Amount payable to non-group project participant	977,738	920,101
	15,977,738	45,845,674
	15,977,738	54,763,350

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 14: INTEREST BEARING LIABILITIES (continued)

Standard Bank of South Africa Limited had provided a project loan in relation to the development of the Smokey Hills PGM mine and related plant. The Bank had also provided a hedging facility in relation to the project. All amounts owing to Standard Bank of South Africa Limited were secured by a charge over the Mining Right and all other assets of Phokathaba Platinum (Pty) Ltd, the owner of the project. The parent entity had also provided an undertaking to Standard Bank of South Africa Limited that if necessary it would provide technical and financial support to ensure that the project was completed.

Interest on the project loan accrued at the Johannesburg interbank acceptance rate plus 2.5% prior to technical and financial completion and at the Johannesburg interbank acceptance rate plus 1.75% thereafter.

On 31 July 2009 a part payment of R200,000,000 was made against the Standard Bank facility from the proceeds of closure of the related hedge book (R125,957,578) and cash available from the proceeds of a share placement received in July 2009 (R74,042,422). The balance of the Standard Bank facility was retired on 11 September 2009, utilising funds raised under a bridging facility from Macquarie Bank Limited of \$15,000,000 and other cash resources.

The Macquarie Bank Limited Facility ("the Facility") is repayable in full by 31 August 2011, with no penalty for early repayment and carries an interest rate of 8% per annum and a facility fee of 1.75%. The Facility is secured by a floating charge over the assets of the parent entity. This is the only facility the Group has, and was fully drawn at 30 June 2010.

On signing the Facility agreement, the Company issued Macquarie Bank Limited with 1,428,571 options over ordinary shares exercisable at \$1.05 per share. Additional tranches of options over ordinary shares exercisable at \$1.05 per share were to be issued to Macquarie Bank Limited if the Facility was not repaid by the following dates.

31 December 2009	1,428,571 options
31 March 2010	1,428,571 options
30 June 2010	1,428,571 options
30 September 2010	1,428,571 options

All options have an expiry date of 31 August 2011. At 30 June 2010 a total of 5,714,284 options had been issued to Macquarie Bank Limited under the Facility.

The fair value of the options are measured at the grant date using the Binomial Tree option pricing model taking into account the terms and conditions upon which the instruments were granted. The value is amortised as a finance cost in the profit and loss over the remaining period of the Facility.

The following table lists the inputs to the model used for the years ended 30 June 2009 and 30 June 2010:

	2010	2009
Volatility (%)	74-84%	N/A
Risk-free interest rate (%)	4.61-5.17%	N/A
Expected life of option (years)	2 years	N/A
Exercise price (cents)	105	N/A

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**
NOTE 15: DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated	
	2010	2009
	\$	\$
Derivative financial instruments designated and effective as hedge instruments carried at fair value	-	23,665,717

The Group enters into various derivative financial instruments to hedge part of its future platinum and palladium production as part of the conditions of the financing of the Smokey Hills PGM project.

At balance date, the details of outstanding platinum and palladium forward and option contracts are:

Maturity	Quantity Hedged Ounces		Average Price Rand/Ounce	
	2010	2009	2010	2009
Platinum purchased put options				
2010	-	2,407	-	14,500
Palladium purchased put options				
2010	-	2,614	-	4,000
Forward platinum contracts				
2010	-	3,117	-	16,338
2011	-	6,447	-	16,162
2012	-	6,972	-	15,427
2013	-	5,496	-	14,819
Forward palladium contracts				
2010	-	3,369	-	4,046
2011	-	6,972	-	4,254
2012	-	7,578	-	4,498
2013	-	6,009	-	4,697

For further details on the Group's derivative financial instruments and policies relating to them, please refer to note 1(l), note 9 and note 17. All the Group's Platinum and Palladium hedge contracts were closed on 31 July 2009 and the proceeds utilised to reduce the Standard Bank debt, as disclosed in note 14.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 16: CONTRIBUTED EQUITY AND RESERVES

Parent

Issued capital:

321,130,521 ordinary fully paid shares
(2009: 252,418,348 ordinary shares)

	2010	2009
	\$	\$
	198,450,847	142,442,989

Movements during the Year

	No. of Shares	\$
Balance at 30 June 2008	220,065,521	123,321,128
Placements	32,332,827	20,019,484
Unlisted options conversions	20,000	4,500
Share issue costs	-	(904,563)
Transfer on exercise of options	-	2,440
Balance at 30 June 2009	252,418,348	142,442,989
Placements	62,167,173	55,535,516
Unlisted options conversions	6,545,000	2,011,150
Share issue costs	-	(2,324,927)
Transfer on exercise of options	-	786,119
Balance at 30 June 2010	321,130,521	198,450,847

Terms and Conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the parent entity, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 16: CONTRIBUTED EQUITY AND RESERVES (continued)

Reserves:

Consolidated	Employee Benefits Reserve \$	Foreign currency Translation Reserve \$	Hedge Accounting Reserve \$	Minority Contribution Reserve \$	Total \$
At 30 June 2008	2,773,744	(11,654,704)	(3,137,015)	5,749,226	(6,268,749)
Currency translation differences	-	6,989,385	-	-	6,989,385
Share based payments	709,047	-	-	-	709,047
Transferred to issued capital	(2,440)	-	-	-	(2,440)
Mark to market adjustment	-	-	14,760,258	-	14,760,258
At 30 June 2009	3,480,351	(4,665,319)	11,623,243	5,749,226	16,187,501
Currency translation differences	-	(3,910,343)	-	-	(3,910,343)
Share based payments	(25,556)	-	-	-	(25,556)
Transferred to issued capital	(786,119)	-	-	-	(786,119)
Mark to market adjustment	-	-	(358,183)	-	(358,183)
Transfer to hedge revenue	-	-	(3,021,691)	-	(3,021,691)
At 30 June 2010	2,668,676	(8,575,662)	8,243,369	5,749,226	8,085,609

Employee equity benefits reserve

This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. Refer to Note 12 for further details of these plans. The Directors' Report also provides further information on Shares under Option and details of the performance conditions, please refer to notes 9 - 11 in the Directors' Report.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Hedge Accounting Reserve

The reserve records the portion of the gain or loss on hedging instruments in cash flow hedges that are determined to be effective hedges. The reserve also records the gain on sale, termination or exercise without replacement of hedges. Refer note 1(l)

Minority Contribution Reserve

The reserve records the parent entity's share of the equity contribution by non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 16: CONTRIBUTED EQUITY AND RESERVES (continued)

Non-Controlling Interests:

	Consolidated	
	2010 \$	2009 \$
<i>Interest in:</i>		
Share capital	(2,390,742)	(2,470,892)
Accumulated losses	(9,418,776)	(3,391,451)
Reserves	3,770,053	5,716,036
	<u>(8,039,465)</u>	<u>(146,307)</u>

Options:

The Company has on issue 10,929,284 options (2009:11,295,000). Options are issued to employees under the Company's Employee Share Option Plan. Refer to note 12 for further details. 5,714,284 options are issued to Macquarie Bank Limited in relation to the Bridging Facility provided by Macquarie Bank Limited. Refer to Note 14 for further details.

NOTE 17: FINANCIAL INSTRUMENT DISCLOSURES

(a) Capital Risk Management:

The Group's total capital is defined as Platinum Australia Limited's shareholders' funds plus amounts attributable to outside equity shareholders plus net debt.

The Group's over-riding objectives when managing capital are to safeguard the business as a going concern and maximise returns to shareholders. The group constantly reviews funding requirements for exploration, project development, working capital and possible acquisitions.

The only borrowings of the Group are currently the facility from Macquarie Bank Limited. The main financial covenant is to maintain a current ratio (excluding any current portion of the facility) of 1:1.

(b) Categories of financial instruments:

Financial assets	Consolidated	
	2010 \$	2009 \$
Derivative instruments in designated hedge relationships	-	23,665,717
Held to maturity investments	769,305	-
Cash and deposits	12,366,135	7,295,561
Loans receivable	13,230,862	12,571,398
Receivables	8,550,749	5,411,969
	<u>34,917,051</u>	<u>48,944,645</u>

Financial liabilities at amortised cost	Consolidated	
	2010 \$	2009 \$
Loans payable	15,997,738	54,763,350
Trade creditors and accruals	12,878,471	17,025,765
	<u>28,876,209</u>	<u>71,789,115</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 17: FINANCIAL INSTRUMENT DISCLOSURES (continued)

(c) Financial risk management objectives

The Group is exposed to market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group monitors and manages those risks with the use of appropriate derivative financial instruments to hedge those risk exposures, when deemed appropriate, within written policies and principles approved by the board of directors. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(d) Market risk

The Group's activities expose it primarily to financial risks of changes in foreign currency exchange rates, commodity prices and interest rates. The Group enters into a variety of derivative financial instruments to manage its exposure to commodity price risk including bought options and forward exchange contracts to hedge the commodity price risk on its production.

Scenarios are run for major interest bearing positions, based on debt outstanding at 30 June 2010. Based on simulations run, the impact on annual post tax profit and shareholders' equity of a 2% base points shift in interest rates would be a maximum increase or decrease of \$Nil (2009: \$788,592). These balances will not remain consistent and therefore these numbers should be used with care.

Scenarios are run on the impact on the mark to market of commodity derivatives on hand at 30 June 2010, used to hedge the price risk of the Group's future production. A 10% increase in the palladium price, with all other variables held constant, would result in a decrease in equity of \$Nil (2009: \$576,715) and a 10% increase in the platinum price would result in a decrease in equity of \$Nil (2009: \$2,483,991).

(e) Foreign currency risk management

The Group undertakes certain transactions in foreign currencies, hence exposures to exchange rate fluctuations arise. The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	Liabilities		Assets	
	2010	2009	2010	2009
	\$	\$	\$	\$
South African Rand	13,602,187	71,621,186	21,601,674	42,189,247

The following table shows the Group's sensitivity to a 10% increase and decrease in the Australian Dollar against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in equity where the Australian Dollar strengthens against the respective currency, for a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on equity.

	Consolidated	
	2010	2009
	\$	\$
South African Rand	523,603	1,926,454

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 17: FINANCIAL INSTRUMENT DISCLOSURES (continued)

(f) Interest rate risk management

The Group is not currently exposed to interest risk as its facility with Macquarie Bank Limited is at a fixed interest rate of 8% per annum.

(g) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group considers public data to evaluate the counterparties it deals with and continuously monitors such data.

The Group's major credit exposures are to its bankers all of which have high credit ratings assigned by international credit rating agencies. The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(h) Liquidity risk management

The Group monitors its short, medium and long term liquidity requirements on an ongoing basis. Borrowing maturity profiles are carefully matched to forecast project cashflows, with an adequate margin being maintained between cashflows and debt service requirements.

Liquidity and interest rate risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date the Group can be required to pay. The table includes both interest and principal cash flows.

Consolidated	Weighted Average Effective Interest Rate %	1 Year Or Less	1 To 5 Years	More Than 5 Years
2010				
Non-interest bearing		12,861,745	16,726	-
Variable interest rate	10%	-	1,318,168	-
Fixed interest rate	8%	-	16,400,000	-
		12,861,745	17,734,894	-
2009				
Non-interest bearing		16,966,593	59,173	-
Variable interest rate	10.97	8,917,676	44,925,573	1,601,849
		25,884,269	44,984,746	1,601,849

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**
NOTE 17: FINANCIAL INSTRUMENT DISCLOSURES (continued)

The following table details the Group's expected maturity for its non-derivative financial assets. These have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that cash flow will occur in a different period.

Consolidated	Weighted Average Effective Interest Rate %	1 Year Or Less	1 To 5 Years	More Than 5 Years
2010				
Non-interest bearing		8,833,110	-	-
Variable interest instruments	5.36%	12,137,034	17,806,442	-
		20,970,144	17,806,442	-
2009				
Non-interest bearing		7,169,098	-	-
Variable interest instruments	3.17	5,698,187	-	21,633,677
		12,867,285	-	21,633,677

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 17: FINANCIAL INSTRUMENT DISCLOSURES (continued)

The following table details the Group's liquidity analysis for its non-derivative financial instruments. The table is based upon the undiscounted net cash inflows/(outflows) on the derivative instruments that settle on a net basis. When the amount payable or receivable is not fixed, the amount has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

Consolidated	1 yr or less	1 to 5 yrs	More than 5 yrs
2010			
<u>Net Settled</u>	-	-	-
Platinum and Palladium put options	-	-	-
Platinum and Palladium forward contracts	-	-	-
	-	-	-
2009			
<u>Net Settled</u>			
Platinum and Palladium put options	2,645,712	-	-
Platinum and Palladium forward contracts	3,965,133	17,054,873	-
	6,610,845	17,054,873	-

(i) Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The fair value of other financial assets and liabilities (excluding derivative financial instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions. The fair value of derivative instruments are calculated using quoted prices. Where such prices are not available use is made of a discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models for optional derivatives.

The fair value of financial guarantee contracts is determined using option pricing models where the main assumptions are the probability of default by the specified counterparty extrapolated from market-based credit information and the amount of loss, given the default.

Derivatives

Commodity price forward contracts are measured using quoted forward commodity prices and yield curves derived from quoted interest rates matching maturities of the contracts.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 18: COMMITMENTS AND CONTINGENCIES

Commitments

There are no outstanding commitments not provided for in the financial statements of the Group as at 30 June 2010 other than:

- (a) Capital commitments;

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows;

	Consolidated	
	2010	2009
<i>Mining Property</i>	\$	\$
Payable within one year	3,130,755	5,370,221
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-
	3,130,755	5,370,221
	3,130,755	5,370,221

- (b) In order to maintain rights of tenure, the Group is committed to outlay an aggregate amount of approximately \$342,810 in 2010/2011, (2009/2010: \$335,300) for mining tenement rentals and shire rates and to meet the statutory minimum expenditure conditions applying to its tenements. Expenditure commitments for the ensuing year and beyond 2010/2011 will vary according to whether:

- (i) any of the existing tenements are relinquished or converted to other forms of title;
- (ii) any of the existing tenements are farmed out;
- (iii) new tenements are acquired; and
- (iv) total or partial exemption from expenditure commitments is applied for and granted in respect of individual tenements.

- (c) Leases

- (i) Operating Leases

	Consolidated	
	2010	2009
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating Leases (rental of premises) are payable as follows:		
Within one year	203,839	151,881
Later than one year but not later than 5 years	30,294	270,194
Later than 5 years	-	-
	234,133	422,075
	234,133	422,075

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 18: COMMITMENTS AND CONTINGENCIES (continued)

(c) Leases (continued)

(ii) Finance Leases

The Group has vehicles under finance lease with a carrying value of \$98,898 (2008: \$124,136) expiring within 5 years. Under the terms of the leases, the Group has the option to acquire the leased assets for the residual balance of the cost of the asset.

	Consolidated	
	2010	2009
Commitments for minimum lease payments in relation finance leases are payable as follows:	\$	\$
Within one year	44,823	38,222
Later than one year but not later than 5 years	57,843	59,173
Later than 5 years	-	-
	102,666	97,395

Contingencies

(a) Native Title Claims

Legislative developments and judicial decisions (in particular the uncertainty created in the area of Native Title rights by the High Court's decisions in the "Mabo", "Wik" and "Miriuwung-Gajerrong" cases and native title legislation) may have an adverse impact on the Group's exploration and production activities and its ability to fund those activities. It is impossible at this stage to quantify the impact (if any) which these developments may have on the Group's operations.

The Company is aware of native title claims in respect of areas in which the Group currently has an interest. It is possible that further claims could be made in the future. However, the Company cannot determine whether any current or future claims, if made, will succeed and if so, what the implications would be for the Group. In the case of the Panton Project, however, as these leases were granted prior to January 1994 there are no native title implications.

(b) Performance Bonds

As disclosed in Note 6(b) the Group has provided performance bonds amounting to \$116,500 (2009: \$116,500) to the Department of Industry and Resources in respect of compliance with environmental conditions in relation to certain tenements.

NOTE 19: JOINT VENTURES

At 30 June 2010 the Group has interests in unincorporated joint ventures as follows:

Joint Venture	Percentage Interest	Principal Activities
Melville	25%	Mineral Exploration - Carried interest
Kalplats	12%	Mineral Exploration - Earning in 49%
Kalplats Area of Influence	50%	Mineral Exploration - Participation and Manager
Rooderand	30%	Mineral Exploration - Earning up to 70%

There are no assets held in these joint ventures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 20: INTEREST IN ASSOCIATE

Name:	PlatTech Pty Ltd
Balance date:	30 June
Ownership interest held by parent entity:	50%
Principal Activity:	The associated company holds the intellectual property rights subsisting in the Leachate Process.

Name:	Stellex Platinum (Pty) Ltd
Balance date:	30 June
Ownership interest held by parent entity:	49%
Principal Activity:	The associated company explores for Platinum Group Metals in the North Western Province of South Africa.

NOTE 21: RELATED PARTY DISCLOSURES

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Directors and Specified Executives

Disclosures relating to Directors and Specified Executives are set out in the Directors' Report under the section titled Remuneration Report.

Subsidiaries

The ultimate parent entity in the Group is Platinum Australia Limited.

(i) Subsidiaries	Country of Incorporation	2010 %	2009 %
		Holding	Holding
Subsidiaries of			
<i>Platinum Australia Limited:</i>			
Platinum Exploration NL	Australia	100	100
Platinum Australia SA (Pty) Ltd	South Africa	100	100
Rivers Platinum Mining (Mauritius)	Mauritius	100	100
Smokey Hills Platinum Mining (Mauritius)	Mauritius	100	100
Stella Platinum Mining (Mauritius)	Mauritius	100	100
PLA Platinum Investments SA (Pty) Ltd	South Africa	100	-
Platinum Rivers Project (Pty) Ltd	South Africa	100	100
Stella Platinum (Pty) Ltd	South Africa	100	100
EL Platinum (Pty) Ltd	South Africa	100	100
Bofule Platinum (Pty) Ltd	South Africa	100	-
Vryburg Platinum (Pty) Ltd	South Africa	100	-
Smokey Hills Platinum (Pty) Ltd	South Africa	73.75	73.75
Phokathaba Platinum (Pty) Ltd	South Africa	65.75	65.75
Limpopo Platinum Holdings (Pty) Ltd	South Africa	45	45

All subsidiaries are owned by Platinum Australia Limited except Platinum Rivers Project (Pty) Ltd, which is owned by Rivers Platinum Mining (Mauritius), Stella Platinum (Pty) Ltd which is owned by Stella Platinum Mining (Mauritius), EL Platinum (Pty) Ltd and PLA Platinum Investments Pty Ltd, which are owned by Smokey Hills Platinum Mining (Mauritius), Smokey Hills Platinum (Pty) Ltd, Limpopo Platinum Holdings (Pty) Ltd, Bofule Platinum (Pty) Ltd and Vryburg Platinum (Pty) Ltd which are owned by EL Platinum (Pty) Ltd and Phokathaba Platinum (Pty) Ltd which is owned by Smokey Hills Platinum (Pty) Ltd.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**
NOTE 22: PARENT ENTITY DISCLOSURES
Financial position

	2010	2009
	\$	\$
Assets		
Current assets	13,315,375	6,755,398
Non-current assets	157,080,802	89,404,216
Total assets	<u>170,396,177</u>	<u>96,159,614</u>
Liabilities		
Current liabilities	760,331	580,191
Non-current liabilities	15,001,380	4,795
Total liabilities	<u>15,761,711</u>	<u>584,986</u>
Net assets	<u>154,634,466</u>	<u>95,574,628</u>
Equity		
Issued capital	198,450,847	142,442,989
Retained earnings	(46,485,057)	(50,348,712)
Reserves		
Share-based payments	2,668,676	3,480,351
Total equity	<u>154,634,466</u>	<u>95,574,628</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**
NOTE 22: PARENT ENTITY DISCLOSURES (continued)
Financial performance

	2010	2009
	\$	\$
Profit/(Loss) for the year	3,863,654	(6,454,615)
Other comprehensive income	-	-
Total comprehensive income	3,863,654	(6,454,615)

Contingent liabilities of the parent entity

The parent company has subordinated to other creditors various loans to 100% owned subsidiaries, until such time as those subsidiaries' Financial Statements show that their assets exceed their liabilities. These loans amount to \$27,692,947 (2009: \$23,299,974).

Commitments for the acquisition of property, plant and equipment by the parent entity

There are no capital commitments of the parent entity.

NOTE 23: CONTINGENT LIABILITY

A contractor to Phokathaba Platinum (Pty) Limited (a 65.75% subsidiary) has made a claim for additional costs incurred during the period to 30 June 2010 amounting to R45,313,755 (\$6,911,905).

This claim is disputed and Phokathaba Platinum (Pty) Limited is compiling a counterclaim against the contractor.

The amount of the contractor's claim that may become payable, if any, and the amount of Phokathaba Platinum (Pty) Limited's counter claim cannot presently be measured with sufficient reliability and consequently, in accordance with AASB 137, no liability has been recognised, nor has any asset been recognised in relation to the counterclaim.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 24: AUDITORS' REMUNERATION

The auditors of Platinum Australia Limited are HLB Mann Judd.

	Consolidated	
	2010 \$	2009 \$
<i>Amounts received or due and receivable by HLB Mann Judd for:</i>		
An audit or review of the financial report of the Company and any other entity in the Group	77,500	96,640
<i>Amounts received or due and receivable by other auditors for:</i>		
An audit or review of the financial report of subsidiaries	88,436	109,495
	165,936	206,135

NOTE 25: KEY MANAGEMENT PERSONNEL DISCLOSURES

- (a) Key Management Personnel compensation
The Company has transferred the detailed remuneration disclosures to the Directors' Report in accordance with Corporations Amendment Regulations 2006 (No. 4). These remuneration disclosures are provided in the Remuneration Report section of the Directors' Report under Details of Remuneration and are designated as audited.
- (b) Shareholdings of Key Management Personnel

Directors	Balance 1.7.09	Net Change	Balance 30.6.10
Mr PD Allchurch	7,407,753	850,000	8,257,753
Mr JD Lewins	1,422,000	3,772,868	5,194,868
Mr MG Blakiston	1,004,167	-	1,004,167
Mr EE Hughes	425,000	-	425,000
Mr WA Hansen	-	200,000	200,000
	10,258,920	4,822,868	15,081,788

There were no shares held by other Key Management Personnel during the year.

- (c) Option holdings of Key Management Personnel

Directors	Balance 1.7.09	Options Granted during the year as remuneration	Other changes during the year	Options Lapsed/ Sold	Balance 30.6.10	Vested and Exercisable 30.6.10
Mr PD Allchurch	1,850,000	-	(1,850,000)	-	-	-
Mr JD Lewins	6,850,000	-	(3,850,000)	-	3,000,000	500,000
Mr MG Blakiston	-	-	-	-	-	-
Mr EE Hughes	-	-	-	-	-	-
Mr WA Hansen	200,000	-	(200,000)	-	-	-
	8,900,000	-	(5,900,000)	-	3,000,000	500,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**
NOTE 25: KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)
Other Key Management Personnel

	Balance 1.7.09	Options Granted during the year as remuneration	Other changes during the year	Options Lapsed/ Sold	Balance 30.6.10	Vested and Exercisable 30.6.10
Mr DG Neill	650,000	-	(250,000)	(150,000)	250,000	100,000
Mr K Freeman	-	500,000	-	-	500,000	-
Mr GW Ramsay	-	250,000	-	-	250,000	-
Mr RA Wallis	380,000	-	(90,000)	(40,000)	250,000	40,000
Mr W Smart	200,000	-	-	-	200,000	100,000
	<u>1,230,000</u>	<u>750,000</u>	<u>(340,000)</u>	<u>(190,000)</u>	<u>1,450,000</u>	<u>240,000</u>

DIRECTORS' DECLARATION

1. In the opinion of the Directors:
 - a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2010 and its performance for the year then ended; and
 - ii. complying with Accounting Standards and Corporations Regulations 2001; and
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2010.

This declaration is signed in accordance with a resolution of the Board of Directors.



JD LEWINS

Managing Director

Dated this 10TH day of September 2010



Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

**To the members of
Platinum Australia Limited**

Report on the Financial Report

We have audited the accompanying financial report of Platinum Australia Limited, ("the company"), which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Platinum Australia Limited and the Platinum Australia Limited Group ("the consolidated entity") as set out on pages 24 to 69. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the consolidated financial statements of the Platinum Australia Limited group and the separate financial statements of Platinum Australia Limited comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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Accountants | Business and Financial Advisers

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- (a) the financial report of Platinum Australia Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2010 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1(c).

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 22 to 27 of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Platinum Australia Limited for the year ended 30 June 2010 complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

HLB MANN JUDD
Chartered Accountants

A handwritten signature in blue ink that reads 'W M Clark'.

W M CLARK
Partner

Perth, Western Australia
10 September 2010

SCHEDULE OF MINING TENEMENTS AT 10 SEPTEMBER 2010**WESTERN AUSTRALIA:**

TENEMENT TYPE AND NUMBER	PROJECT NAME	MINERAL	OWNERSHIP
M 80/103	Panton	PGM	100% Platinum Exploration NL
M 80/104	Panton	PGM	100% Platinum Exploration NL
M 80/105	Panton	PGM	100% Platinum Exploration NL
E 70/2729	Katanning	PGM	100% Platinum Australia Limited
M 59/282	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited & Manager)
M 59/283	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited & Manager)
M 59/284	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited & Manager)
M 59/285	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited & Manager)
M 59/322	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited & Manager)
M 59/323	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited & Manager)
M 59/324	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited & Manager)
M 59/329	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited & Manager)
M 59/408	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited & Manager)
M 59/428	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited & Manager)
M 59/429	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited & Manager)

Notes:

- E - Exploration Licence
- M - Mining Lease
- PGM - Platinum Group Metals
- PLA - Platinum Australia Limited

SOUTH AFRICA:

Smokey Hills	Phokathaba Platinum (Pty) Ltd Mining Right reference # LP 30/5/1/2/2/69 MR Maandagshock 254 KT Mineral Area 4
Kalplats (Project Area)	African Rainbow Minerals Platinum (Pty) Ltd Prospecting Right reference # NW 30/5/1/1/2/748 PR
Kalplats (Area of Influence)	African Rainbow Minerals Platinum (Pty) Ltd Prospecting Right reference # NW30/5/1/1/2/1056PR
Stella North (Logageng)	Stellex Platinum (Pty) Ltd Prospecting Right reference # NW30/5/1/1/2/1787 PR
Rooderand	Atla Mining Resources (Pty) Ltd Prospecting Right reference # NW30/5/1/1/2/2420 PR

SHAREHOLDER INFORMATION AT 10 SEPTEMBER 2010

Twenty Largest Shareholders	Number of Shares	%
Ordinary Shares		
HSBC Custody Nominees (Australia) Limited	47,876,578	14.91
HSBC Custody Nominees (Australia) Limited – A/C 2	36,354,872	11.32
Citcorp Nominees Pty Limited	31,782,875	9.90
J P Morgan Nominees Australia Limited	29,272,677	9.12
National Nominees Limited	14,183,428	4.42
Clausen Investments Pty Ltd	10,500,000	3.27
ANZ Nominees Limited	8,155,754	2.54
Macquarie Bank Limited	7,000,000	2.18
Mr Peter Adrian Vanderspuy	6,935,087	2.16
Equity Trustees Limited	5,740,000	1.79
Mr Peter Donald Allchurch	4,000,000	1.25
Cogent Nominees Pty Limited	3,573,818	1.11
Haifa Pty Ltd*	3,475,002	1.08
Bond Street Custodians Limited	3,182,155	0.99
Mrs Concetta Maria Nicoletti-Lewins	2,550,000	0.79
Mr John Derek Lewins	2,422,868	0.75
State Street Nominees Limited	2,108,487	0.66
Ucan Nominees Pty Ltd	2,000,000	0.62
RBC Dexia investor Services Australia Nominees Pty Limited	1,963,089	0.61
Rubicon Nominees Pty Ltd	1,926,412	0.60
Total	225,003,102	70.07

* Company associated with Mr P Allchurch

Distribution of Shareholdings	Number of Shareholders	Number of Shares Held
1 - 1,000	869	563,370
1,001 - 5,000	1,851	5,581,826
5,001 - 10,000	945	7,890,891
10,001 - 100,000	1,345	43,121,730
100,001 - Over	163	263,972,704
Total	5,173	321,130,521
Holding less than a marketable parcel	478	183,991

**SHAREHOLDER INFORMATION
AT 10 SEPTEMBER 2009****Substantial Shareholders****Number of Shares**

Quantum Partners LDC

38,301,298 Fully Paid Shares

Commonwealth Bank of Australia

31,781,093 Fully Paid Shares

Northcape Capital Pty Ltd

16,120,782 Fully Paid Shares

Voting Rights

Voting rights of members are governed by the Constitution. In summary, on a show of hands every member present in person or by proxy shall have one vote and in the event of a poll, every such member shall be entitled to one vote for each ordinary fully paid share held. Partly paid shares carry voting rights pro-rata to the amount paid up.

GLOSSARY

AIM	Alternative Investment Market (London)
Aoi	Kalplats “Area of Influence”
ASX	Australian Securities Exchange
Au	Gold
BEE	Black Economic Empowerment
BFS	Bankable Feasibility Study
BIC	Bushveld Igneous Complex
Cu	Copper
DFS	Definitive Feasibility Study
EPCM	Engineering, Procurement and Construction Management
ESOP	Employee Share Option Plan
g/t	Grams per tonne
Ir	Iridium
JORC	Joint Ore Reserves Committee
Kalplats	Kalahari PGM Project
LHD	Load Haul Dump machines
LM	Lower Main (Reef)
MM	Mid Main (Reef)
MR	Mid Reef
Mark to Market	Assigning a value to a position held in a financial instrument based on current market price for that instrument or similar instruments
Pd	Palladium
PGM	Platinum Group Metals
3E PGM	Platinum Group Metals including Platinum, Palladium & Gold
4E PGM	Platinum Group Metals including Platinum, Palladium, Gold and Rhodium
6E PGM	Platinum Group Metals including Platinum, Palladium, Gold, Rhodium, Ruthenium & Iridium
Pt	Platinum
PTP	Phokathaba Platinum (Pty) Ltd
RC	Reverse circulation drilling
Rh	Rhodium
Ru	Ruthenium
SAMREC	South African Mineral Resource Committee
SLI	Stella Layered Intrusion
Tpm	Tonnes per month
UG2	Upper Group 2
UM	Upper Main (Reef)