



# PLATINUM AUSTRALIA LIMITED

ACN 093 417 942

3<sup>rd</sup> Floor, 18 Richardson Street, West Perth  
Western Australia 6005

Telephone: (08) 9324 1491  
Facsimile: (08) 9226 4259

Our ref: ASX0338JDL:30.3:JD

PO Box 1083, West Perth  
Western Australia 6872

Email: [mail@platinumaus.com](mailto:mail@platinumaus.com)  
Website: [www.platinumaus.com](http://www.platinumaus.com)

21 November 2003

The Manager  
Companies Announcements Office  
Australian Stock Exchange Ltd  
10<sup>th</sup> Floor, 20 Bond Street  
SYDNEY NSW 2000

Dear Madam,

## RIGHTS ISSUE PROSPECTUS

Further to our announcement earlier today, attached please find the Prospectus as lodged with ASIC in relation to the 1:6 non-renouncement entitlement issue.

The Record Date in relation to the issue is 3 December 2003 and documentation will be forwarded to Shareholders shortly thereafter. The Closing Date for Shareholders is 31 December 2003.

In addition, we enclose a copy of the letter forwarded to optionholders today advising the requirements in relation to the conversion of options, should optionholders wish to participate in the above issue.

Yours faithfully,  
PLATINUM AUSTRALIA LIMITED

A handwritten signature in black ink, appearing to be "J. Lewins".

JOHN D. LEWINS  
**Executive Director**

Encl.



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Our ref: Shareholder0328GS:10.4:JD

21 November 2003

Name of Option Holder  
Address of Option Holder

**HOLDER NUMBER:**

**OPTIONS HELD:**

*As at 5pm 21 November 2003*

**AMOUNT PAYABLE:**

*If all Options Exercised*

Dear Option holder

## **PARTICIPATION IN PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE**

The Directors of Platinum Australia Limited (PLA) announced on 21 November 2003 that PLA will be making a Pro-Rata Non-Renounceable Rights Issue to all shareholders on the basis of one share for every six shares held on 3 December, 2003 ("Record Date"), together with free attaching options (to be issued on a 1:2 basis, exercisable at 20 cents and expiring on 30 November, 2006).

**The terms and conditions of the options you currently hold do not entitle you to participate in the above Pro-Rata Non-Renounceable Rights Issue.**

To participate in the Pro-Rata Non-Renounceable Rights Issue, you must exercise your options in time for the new shares to be allotted prior to the record date of 3 December 2003. To ensure that your new shares are allotted prior to the record date, your Notice of Exercise of Options together with a cheque for the requisite amount must be received by our share registry, Security Transfer Registrars Pty Ltd, no later than 3 December 2003. Any Notice of Exercise of Options received after this date cannot be ensured of allotment prior to the record date.

In order to assist option holders, we have attached the Notice of Exercise of Options on the reverse of this letter.

Your option holding details recorded at our share registry as of today are as above.

Please call the Share Registry on (08) 9315 0933 if there are any questions regarding the above.

Yours sincerely,  
PLATINUM AUSTRALIA LIMITED

JOHN D. LEWINS  
**Executive Director**

**PLATINUM AUSTRALIA LIMITED  
PLAO**

**TERMS AND CONDITIONS OF OPTIONS EXPIRING 1 SEPTEMBER 2004**

- a) The Options shall expire on 1 September 2004 (“**Expiry Date**”);
- b) The Option is a right in favour of the optionholder to subscribe for one fully paid ordinary Share in the capital of the Company (“**Share**”);
- c) The optionholder may exercise Options any time prior to the Expiry Date;
- d) Shares allotted to optionholders on exercise of Options shall be issued at 20 cents each;
- e) The Exercise Price of Shares the subject of the Options shall be payable in full on exercise of the Options;
- f) Options shall be exercisable by the delivery to the Company’s Share Registry of a notice in writing stating the intention of the optionholder to:
  - (i) exercise all or a specific number of options; and
  - (ii) pay the subscription monies in full for the exercise of the Options;
- g) The notice must be accompanied by a holding statement and a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the optionholder to the balance of the Options held by them;
- h) The Company shall allot the resultant Shares and deliver the holding statement within five business days of the exercise of the Option;
- i) The Company will apply for the official quotation on the ASX of the options;
- j) The Options shall be freely transferable;
- k) Shares allotted pursuant to an exercise of options shall rank, from the date of allotment, equally with existing ordinary fully paid Shares of the Company in all respects;
- l) The Company shall in accordance with the Listing Rules make application to have Shares allotted pursuant to an exercise of options listed for official quotation;
- m) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of the Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules of ASX; and
- n) The Options will not give any right to participate in dividends bonus issues or entitlement issues until Shares are allotted pursuant to the exercise of the relevant Options. There is no right to change the exercise price of Options if the Company completes a bonus or entitlement issue.

**NOTICE OF EXERCISE OF OPTION**

The Directors  
Platinum Australia Limited  
3<sup>rd</sup> Floor, 18 Richardson Street  
WEST PERTH WA 6005

Share Registry  
Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

\_\_\_\_\_

Holder Number

I/We \_\_\_\_\_

of \_\_\_\_\_

the registered holder of the Options hereby exercise such Options to subscribe for \_\_\_\_\_ ordinary fully paid shares at 20 cents per share.

I/We enclose application money of \$\_\_\_\_\_ and authorise you to register me/us as the holder of the shares to be allotted to me/us and I/we agree to accept such shares subject to the Constitution.

Individual or Securityholder 1  
\_\_\_\_\_  
Director

Securityholder 2  
\_\_\_\_\_  
Director/Secretary

Securityholder 3  
\_\_\_\_\_  
Sole Director or Sole Secretary

DATED: \_\_\_\_\_

**NOTE:** This application, with application money in Australian Currency, should be lodged with the Company’s Share Registry on or before the Expiry Date.

# **Platinum Australia Limited**

ACN 093 417 942

## **RIGHTS ISSUE PROSPECTUS**

For the pro rata non-renounceable rights issue to shareholders of approximately 11,601,795 Shares on the basis of one Share for every six Shares held on the Record Date at an issue price of \$0.20 cents per Share together with one free attaching option for every two shares issued, exercisable at 20 cents each on or before 30 November 2006, to raise approximately \$2,320,359.

**The Rights Issue closes at 5.00pm WST on 31 December 2003.**

### **IMPORTANT NOTICE**

This Prospectus is dated 21 November 2003. This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser. This Rights Issue is underwritten by W.H.I. Securities Pty Ltd. The Underwriting Agreement contains terms and conditions which may affect the obligations of the Underwriter, details of which are set out in section 1.13 of this Prospectus

## **CORPORATE DIRECTORY**

### **DIRECTORS**

Peter Donald Allchurch (Chairman)  
John Derek Lewins  
Michael Gerrard Blakiston  
Christopher John Davies  
Eric Edward Hughes  
Geoffrey John Fenner  
Allan Ewald Mulligan

### **SECRETARY**

Gillian Swaby

### **REGISTERED AND HEAD OFFICE**

3<sup>rd</sup> Floor  
18 Richardson Street  
WEST PERTH WA 6005

Telephone: (08) 9324 1491  
Facsimile: (08) 9226 4259

### **AUDITORS**

HLB Mann Judd  
(WA Partnership)  
Chartered Accountants  
15 Rheola Street  
WEST PERTH WA 6005

### **SHARE REGISTRY**

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

Telephone: (08) 315 0933  
Facsimile: (08) 9315 2233

### **SOLICITORS TO THE RIGHTS ISSUE**

Blakiston & Crabb  
1202 Hay Street  
WEST PERTH WA 6005

## CHAIRMAN'S LETTER

Dear Shareholder,

I am pleased to present this prospectus for a 1 for 6 non-renounceable Rights Issue (together with one free attaching Option for every two Shares issued), which will raise funds to advance your Company towards achieving its goal of becoming a successful producer of platinum group metals in the near term.

Recently the Company announced that development of its Panton Platinum Palladium Project would be placed on hold due to the low palladium price and the rising Australian dollar against the US dollar.

At the same time, the Company also announced its new strategy to achieve early production, by using the patented Calcine-Leach-Metals Recovery Process ("Panton Process"), to help it acquire an interest in a suitable platinum project in the rapidly expanding South African platinum industry.

The Panton Process was developed by PLA in conjunction with major platinum producer, Lonmin Plc, and successfully tested to pilot plant scale during the Panton feasibility study. The technology is owned by PLA and Lonmin and I believe it will have a substantial impact on the platinum industry.

PLA is presently investigating several opportunities in South Africa and has had encouraging early calcine-leach test results from two different deposit types.

The funds to be raised in this issue will be applied mainly to securing an appropriate project in South Africa and carrying out feasibility studies to bring such a project to production in the near term.

A proportion of the funds will be applied to follow-up drilling of our Western Australian Byro prospect, where an air-core drilling program has discovered a four kilometre long platinum geochemical anomaly, under shallow soils in the Murchison River alluvial flats. This exciting anomaly occurs in a completely covered basic igneous body more than 8 kilometres wide.

I commend this issue to shareholders and recommend that this prospectus be read in full.

I intend to participate in the Rights Issue.

Yours sincerely,



Peter D. Allchurch  
CHAIRMAN

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### Important Notes and Statements

This Prospectus is dated 21 November 2003. A copy of this Prospectus was lodged with the Australian Securities & Investments Commission on 21 November 2003. Neither the Australian Securities & Investments Commission nor the Australian Stock Exchange Limited take any responsibility for the contents of this Prospectus. No Shares or Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. Shares and Options issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus. The Company will apply for the Shares and Options offered pursuant to this Prospectus to be listed on Australian Stock Exchange Limited ("ASX"). An application for Shares and Options will only be accepted on the Application Form accompanying this Prospectus.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

### Summary of Important Dates

Announcement of Rights Issue	21 November 2003
Prospectus Lodged at ASIC	21 November 2003
Record Date to Determine Entitlements	3 December 2003
Prospectus with Entitlement and Acceptance Form Despatched	5 December 2003
Closing Date for Acceptance and Receipt of Applications under the Rights Issue*	31 December 2003
Last day for despatch of holding statements*	19 January 2004

\*These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice.

### Key Definitions

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion and are set out in Section 5 of this Prospectus.

## **Section 1 DETAILS OF THE RIGHTS ISSUE**

### **1.1 Rights Issue**

This Prospectus invites Existing Shareholders to participate in a pro-rata non-renounceable Rights Issue of approximately 11,601,795 Shares on the basis of one Share for every six Shares held on the Record Date at an issue price of \$0.20 cents per Share together with one free attaching Option for every two Shares issued.

The Rights Issue will raise approximately \$2,320,359 (less expenses of the Rights Issue estimated to be \$120,000).

As at the date of this Prospectus, 69,610,771 Shares are on issue.

Existing holders of options to acquire Shares will not be entitled to participate in the Rights Issue. However, they may exercise their options prior to the Record Date if they wish to participate in the Rights Issue.

The Company currently has on issue 34,446,049 listed options exercisable at 20 cents each prior to 1 September 2004 and 1,000,000 unlisted options exercisable at 20 cents each prior to 29 October 2005. Accordingly, in the event that these options are exercised prior to the Record Date, this Prospectus will also offer to those shareholders a further 5,907,674 Shares.

### **1.2 No Rights Trading**

Entitlements to Shares and Options pursuant to the Rights Issue are non-renounceable and accordingly are not able to be traded on ASX.

### **1.3 Opening and Closing Dates**

The Rights Issue will open for receipt of acceptances at 9.00am on 5 December 2003 and will close at 5.00pm WST on 31 December 2003, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 5 Business Days prior to the Closing Date.

### **1.4 Minimum Subscription**

The minimum level of subscription for the Rights Issue is \$500,000.

### **1.5 Brokerage and Commission**

No brokerage or stamp duty will be payable by investors.

### **1.6 Entitlements and Acceptance**

The Rights Issue is non-renounceable and accordingly, Existing Shareholders may not dispose of or trade any part of their Entitlement.

In determining entitlements, any fractional entitlement will be rounded up to the nearest whole number.

### ***Acceptance of Entitlement in Full***

If you wish to take up **all** of your Entitlement under the Rights Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form. Please ensure the completed Entitlement and Acceptance Form, together with your cheque, is received by the Company's Share Registry at:

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

**not later than 5.00pm WST on 31 December 2003** or such later date as the Directors advise. Cheques should be made payable to "**Platinum Australia Limited – Rights Issue Account**" and crossed "Not Negotiable".

### ***Partial Acceptance of Entitlement***

If you wish to take up **part** of your Entitlement pursuant to the Rights Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form and insert the number of Shares and Options for which you wish to accept the offer (being less than your Entitlement as specified on the Entitlement and Acceptance Form). Please ensure the completed Entitlement and Acceptance Form and your cheque is received by the Company's Share Registry at:

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

**Not later than 5.00pm WST on 31 December 2003** or such later date as the Directors advise. Cheques should be made payable to "**Platinum Australia Limited – Rights Issue Account**" and crossed "Not Negotiable".

### ***Non-Acceptance of Entitlement***

If you do not wish to take up any part of your Entitlement under the Rights Issue, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the Shares and Options not accepted will be dealt with in accordance with Section 1.13.

### ***Enquiries***

If you have any queries regarding your Entitlement, please contact Security Transfer Registrars Pty Ltd by telephone on (08) 9315 2233 or your stockbroker or professional adviser.

**PLEASE NOTE IF YOU DO NOT ACCEPT YOUR ENTITLEMENT IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT ABOVE YOUR ENTITLEMENT NOT ACCEPTED BY YOU WILL FORM PART OF THE SHORTFALL AND REVERT TO THE UNDERWRITER.**

### **1.7 Issue and Allotment of Shares and Options**

The Shares and Options are expected to be issued and allotted by no later than 19 January 2003. Until issue and allotment of the Shares and Options under this Prospectus, the acceptance money will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the acceptance money will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the Shares or Options takes place.

### **1.8 ASX Listing**

The Company will make application to ASX within 7 days following the date of this Prospectus for official quotation of the Shares and Options to be offered pursuant to this Prospectus.

If approval is not granted by ASX within 3 months after the date of this Prospectus, the Company will not allot or issue any Shares or Options and will repay all application monies (where applicable) as soon as practicable, without interest.

A decision by ASX to grant official quotation of the Shares and Options is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the Shares now offered for subscription.

### **1.9 No Issue of Shares or Options after 13 months**

No Shares or Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

### **1.10 Overseas Investors**

The Company is of the view that it is unreasonable to make an offer under this Prospectus to shareholders outside of Australia, New Zealand, The Dutch Antilles, Malaysia, Singapore and the United Kingdom having regard to:

- (a) the number of shareholders outside of Australia, New Zealand, The Dutch Antilles, Malaysia, Singapore and the United Kingdom;
- (b) the number and value of the securities to be offered to shareholders outside of Australia, New Zealand, The Dutch Antilles, Malaysia, Singapore and the United Kingdom; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to make offers under the Prospectus to shareholders outside of Australia, New Zealand, The Dutch Antilles, Malaysia, Singapore and the United Kingdom.

In compliance with section 615 of the Corporations Act, the Company has appointed W.H.I Securities Pty Ltd as nominee for foreign holders of the Company's securities. The Company has applied to the ASIC for their approval of this nomination.

The Company will transfer to the nominee the Shares and Options that would otherwise have been issued to the foreign holders, if the offer had been made available to them and they had accepted.

The nominee must sell the Shares and Options and distribute to each of those foreign holders their proportion of the proceeds of the sale, net of expenses. Any such sale will be at such prices and otherwise in such a manner as W.H.I. Securities Pty Ltd, in its absolute discretion, determine.

#### 1.11 **Market Prices of Shares on ASX**

The highest and lowest closing market sale prices of Shares on ASX during the 3 months immediately preceding the date of this Prospectus and the respective dates of those sales were \$0.26 on 15 October 2003 and \$0.165 on 19 September 2003. The latest available market sale price of Shares on ASX immediately before the date of issue of this Prospectus was \$0.24 on 20 November 2003.

#### 1.12 **Purpose of the Rights Issue**

The funds raised by the Rights Issue will be used for the following purpose:

- to continue to evaluate options for the development of the Panton Platinum Palladium Project;
- to continue to identify and evaluate opportunities for participation in PGM projects in South Africa through the application of the patented technology and Company's skills base;
- to continue work on the identification, evaluation and development of PGM exploration projects;
- to provide working capital to support the evaluation of business opportunities and the exploration and development of the Company's tenements and prospects; and
- to meet the costs of the Rights Issue.

#### **Panton Platinum Palladium Project**

The Company has recently completed a feasibility study on the Panton Project which found that while the project is technically sound it was not commercially viable at the current metal prices and exchange rate. The Company is continuing to look at options to reduce capital and operating costs for the project which could potentially allow the development of the project at near to the current metal prices and exchange rate.

#### **Development Opportunities in South Africa**

The Company believes that South Africa offers the best potential for early commercial development of PGM projects and that the Calcine – Leach – Metals Recovery Process (“**Panton Process**”) developed by PLA and Lonmin Plc provides opportunities for PLA to become involved in these projects. Essentially the Panton Process could enable platinum to be commercially recovered from refractory and oxidised ores and from tailings and process streams which presently cannot be viably

processed. The Company is in discussions with a number of companies involved in the South African PGM industry and has identified the following areas of opportunity to achieve production in the short to medium term:

- small open out – underground PGM deposits;
- open cut projects on existing mining operations;
- tailings retreatment – both PGM mine tailings (which contain PGM's) and chrome mine tailings;
- process streams from existing operations; and
- existing projects with refractory ore

The Company has commenced metallurgical testwork on the application of the Calcine – Leach – Metals Recovery Process on samples from a number of South African projects.

### **Exploration and Development**

The Company will continue work on the evaluation and development on the following exploration projects in Australia:

- Imagi Well – Follow up work on a recent shallow air-core drilling program which identified a zone of PGM supergene anomaly some 240 metres wide and up to 4 km long;
- Byro – follow up work on a recent drilling program which identified anomalous nickel and cobalt geochemistry with a best intersection of 16 metres @ 1,41% Ni, 0.11% Co and 36 ppb Pt + Pd over 16 metres;
- Loadstone Hill – initial exploration of the newly granted tenement which covers an extension to the Lamboo Sill, a differentiated mafic to ultramafic body with recorded occurrences of PGM bearing chromitites; and
- Panton – work covering identification of extensions to the PGM bearing chromitite reefs outside of the currently defined resource and on the identification of new PGM bearing horizons.

### **Budget**

Details of the proposed expenditure of the funds raised from the Rights Issue are as follows:

<b>RIGHTS ISSUE BUDGET</b>	
Panton Platinum and Palladium Project.....	\$ 150,000
Business Development.....	\$ 1,000,000
Exploration .....	\$ 450,000
Working Capital.....	\$ 600,000
Estimated Cost of Offer .....	\$ 120,000
<b>TOTAL .....</b>	<b>\$ 2,320,000</b>

### 1.13 Underwriting

W.H.I. Securities Pty Ltd has agreed to conditionally underwrite the whole of the Rights Issue. W.H.I. Securities Pty Ltd will be charging the Company an underwriting fee of 4% of the amount raised by the Rights Issue and reimbursement of all direct costs and reasonable expenses associated with the underwriting. Further details of the Underwriting Agreement are set out in Section 4.6 of this Prospectus.

In the event W.H.I. Securities Pty Ltd is required to take up all of the Shares and Options it is underwriting pursuant to the Underwriting Agreement, W.H.I. Securities Pty Ltd may hold up to 14.28% of the voting power of the Company (before the exercise of any options).

## Section 2 EFFECT OF THE RIGHTS ISSUE ON THE COMPANY

### 2.1 Principal Effects

If the maximum number of Shares issued pursuant to this Prospectus are issued (excluding any shares that may be the result of any options that are exercised prior to the Record Date) they will constitute 16.66% of the presently issued Share capital which currently totals 69,610,771 Shares. When aggregated with the number of options previously issued by the Company, the total percentage of Shares in the Company the subject of this Rights Issue will constitute approximately 11.02% of the presently issued capital of the Company on a fully diluted basis.

The Rights Issue will also increase the Company's cash reserves by \$2,320,359 (before expenses of the Rights Issue) to enable the Company to pursue its objectives. The Company will grant approximately 5,800,897 Options under this Prospectus and the total number of Options on issue will increase to 41,386,946.

The Company will receive 20 cents for each Option exercised and, assuming all the Options are exercised, this will raise approximately \$1,160,179.

Accordingly, the equity of Existing Shareholders who do not participate in the Rights Issue will be admitted as evidenced by the figures set out above.

### 2.2 Statement of Financial Position and Capital Structure

#### Capital Structure of the Company

The pro-forma capital structure of the Company following the Rights Issue pursuant to this Prospectus is set out below:

<b>Issued Capital</b>	<b>Number</b>
Existing Ordinary Shares	69,610,771
Maximum No. of Shares to be issued pursuant to this Prospectus (assuming no options exercised)	11,601,795
Ordinary Shares after this Rights Issue	81,212,566
Maximum No. of Options to be issued pursuant to this Prospectus	5,800,897

The Company also has the following listed and unlisted options on issue:

<b>Number</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
34,446,049 (listed)	20 cents	1 September 2004
1,000,000 (unlisted)	20 cents	29 October 2005
20,000 (unlisted)	47 cents	3 April 2005
120,000 (unlisted)	43.5 cents	14 March 2007

## Statement of Financial Position

Set out as follows is an audited Consolidated Statement of Financial Position of the Company as at 30 June 2003 and a pro forma Consolidated Statement of Financial Position of the Company after the Rights Issue.

### Consolidated Statements of Financial Position Pro-forma Reflecting Proposed Rights Issue

	30 June 2003 Audited	30 June 2003 Pro-forma
<b>CURRENT ASSETS</b>		
Cash at Bank	1,488,063	3,688,422
Trade Debtors	226,970	226,970
Prepayments & Other Debtors	9,745	9,745
GST Refundable	69,679	69,679
<b>TOTAL CURRENT ASSETS</b>	<b>1,794,457</b>	<b>3,994,816</b>
<b>NON CURRENT ASSETS</b>		
Fixed Assets	380,610	380,610
Investments	90,000	90,000
<b>TOTAL NON-CURRENT ASSETS</b>	<b>470,610</b>	<b>470,610</b>
<b>TOTAL ASSETS</b>	<b>2,265,067</b>	<b>4,465,426</b>
<b>CURRENT LIABILITIES</b>		
Trade Creditors	(126,522)	(126,522)
Accrued Expenses & Sundry Creditors	(638,922)	(638,922)
Provisions	(41,608)	(41,608)
<b>TOTAL CURRENT LIABILITIES</b>	<b>(807,052)</b>	<b>(807,052)</b>
<b>TOTAL LIABILITIES</b>	<b>(807,052)</b>	<b>(807,052)</b>
<b>NET ASSETS</b>	<b>1,458,015</b>	<b>3,658,374</b>
<b>SHAREHOLDERS' EQUITY</b>		
Issued Shares	20,702,639	22,902,998
Accumulated Losses	(19,244,624)	(19,244,624)
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>1,458,015</b>	<b>3,658,374</b>

**Note:** The Pro Forma Consolidated Statement of Financial Position includes \$2,320,359 (less share issue costs of \$120,000) received by virtue of the Rights Issue.

## **Section 3 RISK FACTORS**

This section identifies the areas the Directors regard as the major risks associated with an investment in Platinum. Intending subscribers should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which Platinum intends to operate before any decision is made to subscribe for Shares and Options.

### **3.1 Operation and Development Risks**

By its nature, the business of exploration, mineral development and production which the Company may continue to participate in contains risks. Prosperity depends on the successful exploration and/or acquisition of reserves, development of a commercial process route for processing the ore, design and construction of efficient processing facilities, competent operation and management, and efficient financial management. For its part, exploration is a speculative endeavour. The development of a commercial process route cannot be assured, while mining operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events.

### **3.2 Government Policy**

Capacity to explore and mine, as well as industry profitability generally, can be affected by changes in government policy which are beyond the control of the Company.

### **3.3 Native Title**

Both the Native Title Act 1993 (Commonwealth), related State native title legislation and aboriginal land rights and aboriginal heritage legislation may affect the Company's ability to gain access to prospective exploration areas or obtain production titles. Compensatory obligations may be necessary in settling native title claims if lodged over any tenements acquired by the Company. The level of impact of these matters will depend, in part, on the location and status of the tenements acquired by the Company. At this stage, it is not possible to quantify the impact (if any) which these developments may have on the operations of the Company.

### **3.4 Commodity Price Risk**

In the future, the Company's revenue will come from sale of product. Therefore, its earnings will be closely related to the price and arrangements it enters into for selling of its products. Product prices fluctuate and are affected by factors including the relationship between global supply and demand for metal, forward selling by producers, the cost of production and general global economic conditions.

Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand issues. These factors may have an adverse affect on the Company's exploration, development and production activities as well as its ability to fund those activities.

### **3.5 Environmental Risks**

The Company's operations and projects are subject to State and Federal laws and regulation regarding environmental hazards and discharge of hazardous waste and materials. The Company intends to conduct its activities in an environmentally responsible manner, in accordance with applicable laws and regulations.

### **3.6 Share Market Risk**

The market price of Shares and the Options can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular.

Neither the Company nor its Directors warrant the future performance of the Company or any return on investment in Shares.

### **3.7 Metallurgical Process**

The Company in conjunction with Lonmin Plc, has developed a new metallurgical process for the recovery of PGM + Au producing a high grade PGM and base metal concentrate. Although using known metallurgical techniques, these techniques have not previously been used to recover PGM's. Laboratory and pilot scale test work has been undertaken to demonstrate that the process works, however the process has yet to be proven on a commercial scale.

There can be no certainty that the Company can successfully commercialise the process or that this can be achieved within the current timetable or budget.

### **3.8 Future Capital Needs and Additional Funding**

The future capital requirements of the Company will depend on many factors including the successful identification of potential PGM projects in South Africa and the commercialization of the Panton Process. The Company believes its available cash and net proceeds of this Rights Issue should be adequate to fund the continued exploration of the Company's projects and the Company's other objectives as stated in this Prospectus. However, the Company faces certain specific risks which may adversely impact on the belief that the Company will have, as a result of this Rights Issue, sufficient funds to meet the projected expenditure.

Should the Company require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

## Section 4 ADDITIONAL INFORMATION

### 4.1 Legal Framework of this Prospectus

Platinum is a "disclosing entity" under the Corporations Act and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically as a listed company, Platinum is subject to the Listing Rules of ASX which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its shares.

### 4.2 Applicability of Corporations Act

As a "disclosing entity", Platinum has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure ("ED") securities and the securities are in a class of securities that were quoted ED securities at all times in the 12 months before the issue of this Prospectus.

Having taken such precautions and having made such enquiries as are reasonable, Platinum believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require Platinum to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

The Shares to be issued under this Prospectus and the Shares underlying the Options are in respect of a class of shares that were continuously quoted securities at all times in the 12 months before the issue of this Prospectus.

### 4.3 Information Available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the Annual Report for Platinum for the year ended 30 June 2003; and
- (b) the following documents used to notify ASX of information relating to Platinum during the period after lodgement of the Annual Report of Platinum for the year ended 30 June 2003 and before the issue of this Prospectus:

Date	Description of ASX Announcement
23/10/2003	Annual Report and Notice of AGM
31/10/2003	September Quarterly Report
19/11/2003	Panton process successful on South African concentrates

#### 4.4 **Rights Attaching to Shares**

The Shares to be issued pursuant to this Prospectus will rank equally in all respects with existing Shares in the Company. Full details of the rights attaching to the Company's Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the rights which attach to the Company's existing Shares:

##### (a) **Voting Rights**

Each member entitled to vote and present in person or by proxy, representative or attorney has one vote on a show of hands and on a poll one vote for each fully paid share held in the capital of the Company. Members holding partly paid shares have such number of votes on a poll as bears the same proportion to the total of such shares registered in a member's name as the amount of the issue price thereof paid up bears to the total issued price. Each member is entitled to notice of, and to attend and vote at, general meetings.

In the event of a breach of any escrow agreement entered into by the Company under the Listing Rules in relation to any shares which are classified under the Listing Rules or by ASX as restricted securities, the member holding the shares in question shall cease to be entitled to any voting rights in respect of those shares for so long as the breach subsists.

##### (b) **Dividend Rights**

The Directors may from time to time declare a dividend to be paid to the members entitled to the dividend. The dividend as declared shall be payable on all shares in proportion to the amount of capital for the time being paid up or credited as paid up in respect of such shares. No dividend may be paid except out of profits.

In the event of a breach of any escrow agreement entered into by the Company under the Listing Rules in relation to any shares which are classified under the Listing Rules or by ASX as restricted securities, the member holding the shares in question shall cease to be entitled to any dividends in respect of those shares for so long as the breach subsists.

##### (c) **Rights on Winding Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the members in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of members.

The liquidator may with the authority of a special resolution vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no member is compelled to

accept any shares or other securities in respect of which there is any liability. Subject to the rights of the members (if any) entitled to shares with special rights in a winding up, all moneys and property that are to be distributed among members on a winding up shall be so distributed in proportion to the shares held by them respectively irrespective of the amount paid up or credited as paid up on the shares.

On a winding up of the Company, the holders of any shares which are classified under the Listing Rules or by ASX as restricted securities and which are subject to escrow restrictions at the commencement of the winding up shall rank on a return of capital behind all other shares in the Company.

**(d) Transfer of Shares**

Subject to the constitution of the Company, the Corporations Act, any other laws and the Listing Rules, Shares in the Company are freely transferable.

**(e) Future Increases in Capital**

The Company may by ordinary resolution:

- increase its nominal shares by the creation of new shares of such amount as is specified in the resolution;
- consolidate and divide all or any of its nominal capital into shares of a larger amount than its existing shares;
- subject to the Listing Rules, sub-divide all or any of its shares into shares of a smaller amount; and
- cancel shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or have been forfeited and, reduce its nominal share capital by the amount of the shares so cancelled.

The allotment and issue of any new shares is under the control of the Directors from time to time of the Company. Subject to restrictions on the allotment of shares to Directors or their associates contained in the Listing Rules, the constitution of the Company and the Corporations Act, the Directors may allot or otherwise dispose of shares on such terms and conditions as they see fit.

**(f) Variation of rights**

If at any time the share capital of the Company is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied whether or not the Company is being wound up with the consent in writing of three quarters of the issued shares of that class or if authorised by a special resolution at a separate meeting of the holders of shares of that class.

#### 4.5 **Rights Attaching to Options**

The following are the rights attaching to the Options offered under this Prospectus:

- (a) no monies will be payable for the issue of the Options;
- (b) a holding statement will be issued for the Options;
- (c) the Options shall expire on 30 November 2006 ("**Expiry Date**");
- (d) the Option is a right in favour of the optionholder to subscribe for one fully paid ordinary Share in the capital of the Company;
- (e) the optionholder may exercise Options any time prior to the Expiry Date;
- (f) Shares allotted to optionholders on exercise of Options shall be issued at 20 cents each ("**Exercise Price**");
- (g) the Exercise Price of Shares the subject of the Options shall be payable in full on exercise of the Options;
- (h) Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the optionholder to:
  - (i) exercise all or a specified number of options; and
  - (ii) pay the subscription monies in full for the exercise of each Option;
- (i) the notice must be accompanied by a holding statement and a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the optionholder to the balance of the Options held by them;
- (j) the Company shall allot the resultant Shares and deliver the holding statement within five Business Days of the exercise of the Option;
- (k) the Company will apply for official quotation on the ASX of the Options, subject to the requirements for quotation being satisfied;
- (l) the Options shall be freely transferable;
- (m) Shares allotted pursuant to an exercise of options shall rank, from the date of allotment, equally with existing ordinary fully paid Shares of the Company in all respects;
- (n) the Company shall in accordance with the Listing Rules make application to have Shares allotted pursuant to an exercise of Options listed for official quotation;
- (o) in the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of the Options or the exercise price of the Options or both shall be

reconstructed (as appropriate) in accordance with the Listing Rules of ASX; and

- (p) the Options will not give any right to participate in dividends bonus issues or entitlement issues until Shares are allotted pursuant to the exercise of the relevant Options. There is no right to change the exercise price of Options if the Company completes a bonus or entitlements issue.

#### 4.6 Interests of Directors

- (a) At the date of this Prospectus the relevant interest of each of the Directors in the Shares and options of the Company are as follows:

Directors	Associates	Shares	Options
Peter Allchurch	Haifa Pty Ltd <sup>1</sup>	2,100,000	2,100,000
	Azuree Pty Ltd <sup>1</sup>	125,000	125,000
Geoffrey Fenner*		-	-
Chris Davies*		-	-
John Lewins	C.Nicoletti-Lewins <sup>2</sup>	2,000	1,000,000
Michael Blakiston	Emerald Corp <sup>3</sup>	50,000	425,000
	Comvo Pty Ltd <sup>3</sup>	50,000	-
Eric Hughes		20,000	379,000
Allan Mulligan*		-	-

<sup>1</sup> P Allchurch is a shareholder and Director in Haifa Pty Ltd, and Azuree Pty Ltd.

<sup>2</sup> Mrs C Nicolletti-Lewins is Mr Lewins' wife and associate and is the beneficial owner of the Options.

<sup>3</sup> M Blakiston is a director of, and a discretionary beneficiary of the trust for which Emerald Corporation Pty Ltd is the trustee. M Blakiston is a shareholder and director of a company that is the shareholder of Comvo Pty Ltd.

\* Messrs Davies, Fenner and Mulligan are Directors appointed as representatives of Lonmin Plc, which holds 30,844,000 Shares in the Company.

- (b) Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services

rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Rights Issue.

Mr Blakiston is a partner at law firm Blakiston & Crabb. Blakiston & Crabb have acted as solicitors to the Company in relation to this Prospectus. In respect of their work on this Prospectus, the Company will pay approximately \$3,000 (plus GST) for these professional services. Blakiston & Crabb have provided other professional services to the Company during the last two years amounting to \$98,627.

- (c) The provisions of the Company's Constitution relating to the remuneration of Directors are as follows:

Clause 13.8: The Directors shall be paid out of the funds of the Company by way of remuneration for their services as Directors such sum as may from time to time be determined by the Company in general meeting, to be divided among the Directors in such proportions as they shall from time to time agree or in default of agreement equally. Fees payable to non-executive Directors shall be by a fixed sum and not by a commission on or percentage of profits or operating revenue. Remuneration payable to executive Directors shall not include a commission on or a percentage of operating revenue. The remuneration of a Director shall be deemed to accrue from day to day.

Clause 13.9: The Directors shall be entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors. If any of the Directors being willing shall be called upon to perform extra services or make any special exertions on behalf of the Company or the business thereof, the Directors may remunerate such Director in accordance with such services or exertions, and such remuneration may be either in addition to or in substitution for his share in the remuneration provided for by clause 13.8.

Clause 17.2: The Managing Director or an executive Director shall, subject to the terms of any agreement entered into in a particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine provided that no executive Director shall be paid as the whole or part of his remuneration a commission on or percentage of operating revenue.

- (d) The Company has passed a resolution agreeing to pay non-executive Directors fees of up to \$100,000.

#### **4.7 Underwriting Agreement**

Pursuant to the Underwriting Agreement between W.H.I. Securities Pty Ltd agreed to underwrite the whole of the Rights Issue on certain terms and conditions.

The Company has given warranties and covenants to the Underwriter which are usual in an agreement of this nature.

The material terms of the Underwriting Agreement are:

- (a) the Underwriter has agreed to underwrite all of the Rights Issue;
- (b) the Company is required to pay an underwriting fee of 4% of the amount raised by the Rights Issue to the Underwriter and the Company has agreed to reimburse the Underwriter for its direct costs and reasonable expenses associated with the underwriting;
- (c) the Company will indemnify the Underwriter from and against all costs and expenses (other than for consequential loss and loss of profits) in respect of claims, proceedings or actions arising out of the Prospectus, the underwriting or any representation or warranty provided by the Company under the Underwriting Agreement not being true and correct; and
- (d) the Underwriter may terminate the Underwriting Agreement under the following circumstances:
- (e) all Ordinaries Index Number or the Dow Jones Industrial Average is at any time more than 10.0% below its level as at the close of business on the Business Day immediately preceding the date of the Underwriting Agreement;
- (f) a new circumstance has arisen since the Prospectus was lodged that would in the reasonable opinion of the Underwriter have been required by sections 713 or 711 of the Corporations Act to be included in the Prospectus if it had arisen before the Prospectus was lodged;
- (g) the Company makes default under or is in breach of any of its material obligations under the Underwriting Agreement and following consultation between the Company and the Underwriter, that failure is not remedied within 5 Business Days afterwards;
- (h) any warranty or representation by the Company in the Underwriting Agreement ceases to be true in any material respect and, following consultation between the Company and the Underwriter, the matters rendering the warranty untrue are not remedied within 5 Business Days afterwards;
- (i) any material adverse change occurs in the financial position of the Company;
- (j) any director or officer of the Company named in the Prospectus dies or is charged with or convicted of an indictable offence;
- (k) any material statement in the Prospectus is found to be or becomes misleading or deceptive or there is found to be a material omission from the Prospectus of material required by sections 713 or 711 of the Corporations Act;
- (l) the adoption or announcement by or on the authority of the government of the Commonwealth of Australia of:
  - (A) any future change in fiscal or monetary or taxation policy which would materially and adversely affect companies generally or the Company in particular or investment in stocks and shares in Australia including but not limited to any change which is likely to materially

and adversely affect interest rates not already announced or anticipated as at the date of the Underwriting Agreement; or

(B) any law or prospective law or other measure having the effect of restraining capital issues, corporate profits or foreign investment,

and which, in either case, would materially and adversely affect the Rights Issue;

- (m) any person who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (n) any information supplied at any time by the Company (or any person on its behalf) to the Underwriter in respect of any aspect of the Rights Issue is or becomes false or misleading;
- (o) any of the results of investigations of the Company or of any subsidiary conducted pursuant to the Company's due diligence program and verification material is or becomes false or misleading;
- (p) any material contravention by the Company or an officer of any of them of any provision of the Corporations Act, or the Listing Rules or any requirement of ASX or the ASIC or any governmental agency;
- (q) a resolution is passed or an order made by a Court of competent jurisdiction for the winding up of the Company, other than an order for the purpose of reconstruction or amalgamation made with the prior consent of the Underwriter;
- (r) a receiver or receiver and manager is appointed to all or any part of the assets or undertaking of the Company;
- (s) the Company enters into any scheme of arrangement with its creditors or any class of them or indicates its intentions to do so;
- (t) the Company suspends payments of its debts or is unable to pay its debts within the meaning of the Corporations Act;
- (u) the Company is placed under official management or an official manager is appointed;
- (v) a provisional liquidator is appointed to the Company;
- (w) an inspector is appointed pursuant to the Corporations Act to investigate all or any part of the affairs of the Company;
- (x) the Company fails to furnish a certificate in accordance with the requirements of clause 7.1 of the Underwriting Agreement;
- (y) there is an outbreak of hostilities (whether or not war has been declared) not presently existing or a major escalation in existing hostilities occurs involving any one or more of the Commonwealth of Australia, the United Kingdom, the United States of America, former Republic of the USSR, European Union, the Peoples Republic of China, The Republic of the Philippines, Taiwan, Japan or Indonesia; or

- (z) the Gold Price falls below US\$340/oz on any day during the period up to the Closing Date.

W.H.I. Securities Pty Ltd may, as noted in section 1.13 of this Prospectus, hold up to 14.28% of the voting power of the Company before the exercise of options if it is required to take up all of the Shares it is underwriting pursuant to the Underwriting Agreement.

#### 4.8 **Interests of Named Persons**

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Rights Issue.

- HLB Mann Judd are the auditors to the Company. They have provided audit and review services to the Company during the last two years totalling approximately \$37,000. HLB Mann Judd have provided other professional services to the Company during the last two years amounting to \$7,500.
- Blakiston & Crabb have acted as solicitors to the Company in relation to this Prospectus. In respect of their work on this Prospectus, the Company will pay approximately \$3,000 (plus GST) for these professional services. Blakiston & Crabb have provided other professional services to the Company during the last two years amounting to \$98,627.

#### 4.9 **Expenses of the Rights Issue**

The approximate expenses of the Rights Issue are \$120,000 comprising legal fees, ASIC & ASX fees, printing, postage, sundries & underwriting fees.

These expenses are payable by the Company.

#### 4.10 Consents

Each of the parties referred to in this Section 4.10:

- (a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section 4.10; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 4.10.

HLB Mann Judd consents to the reference in this Prospectus to the audited consolidated statement of financial position of the Company as at 30 June 2003.

W.H.I. Securities Pty Ltd makes no statement in nor is there any statement in the Prospectus which is based on a statement by W.H.I. Securities Pty Ltd.

Each of the following has consented to being named in this Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- (a) HLB Mann Judd as the auditors of the Company;
- (b) W.H.I. Securities Pty Ltd as the foreign nominee to the Rights Issue;
- (c) Blakiston & Crabb as solicitors to the Rights Issue;
- (d) Security Transfer Registrars Pty Ltd as share registry of the Company; and
- (e) W.H. I Securities Pty Ltd as Underwriter of the Rights Issue.

## Section 5 DEFINED TERMS

"ASIC" means the Australian Securities & Investments Commission;

"ASX" means Australian Stock Exchange Limited;

"Application Form" means the application form accompanying this Prospectus;

"Business Day" means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day

"Closing Date" means 5.00pm WST on 31 December 2003;

"Company" and "Platinum" means Platinum Australia Limited ACN 093 417 942;

"Corporations Act" means the Corporations Act 2001 (Cth);

"Directors" means the directors of the Company;

"Entitlement" means the entitlement of an existing Shareholder to apply for Shares and Options;

"Entitlement and Acceptance Form" means the entitlement and acceptance form accompanying this Prospectus;

"Existing Shareholder" means those shareholders of the Company whose details appear on the Company's register of shareholders as at the Record Date;

"Listing Rules" means the Listing Rules of ASX;

"Option" means a free option to acquire one Share at an exercise price of 20 cents each on or before 30 November 2006 to be issued under this Prospectus on the basis of one Option for every two Shares issued and otherwise on the terms and conditions set out in Section 4.5;

"PGM" means platinum group metals;

"Prospectus" means this prospectus dated 21 November 2003;

"Record Date" means close of business on 3 December 2003;

"Rights Issue" means the issue pursuant to the Prospectus of approximately 11,601,795 Shares (and up to a further 5,907,674 Shares if all of the 34,446,049 listed options exercisable at 20 cents each prior to 1 September 2004 and 1,000,000 unlisted options exercisable at 20 cents each prior to 29 October 2005 are exercised prior to the Record Date) on the basis of one Share for every six Shares held on the Record Date at an issue price of \$0.20 cents per Share together with one free attaching Option for every two Shares issued;

"Share" means an ordinary fully paid share in the capital of the Company;

**"Shortfall"** means the Shares forming Entitlements together with the accompanying Options, or parts of Entitlements, not accepted by Existing Shareholders;

**"Underwriter"** means W.H.I Securities Pty Ltd ABN 30 094 927 947; and

**"Underwriting Agreement"** means the underwriting agreement between the Company and the Underwriter dated 20 November 2003;

**"WST"** means Western Standard Time.

## **Section 6 DIRECTORS' RESPONSIBILITY STATEMENT & CONSENT**

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Director's knowledge, before any issue of Shares or Options pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 21 November 2003



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John Lewins  
Director