

PLATINUM AUSTRALIA LIMITED
ACN 093 417 942

INTERIM FINANCIAL REPORT
TO 31 DECEMBER 2003

PLATINUM AUSTRALIA LIMITED
HALF-YEAR REPORT AS AT 31 DECEMBER 2003

DIRECTORS' REPORT

The Directors of Platinum Australia Limited ("Platinum" and "the Company") present their report and financial statements of Platinum and its wholly owned controlled entities (collectively "the Consolidated Entity") for the half-year ended 31 December, 2003.

1. DIRECTORS

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

Mr Peter Donald Allchurch, Non-Executive Chairman, B.Sc, FAusIMM

Mr Allchurch is a Fellow of the Australasian Institute of Mining and Metallurgy, Member of the Society of Economic Geologists, and Member of the Petroleum Exploration Society of Australia. Mr Allchurch is a geologist with more than 30 years experience in mineral exploration, mining and petroleum exploration, development and production.

Mr Michael Gerrard Blakiston, Non-Executive Director, B.Juris.LLB

Mr Blakiston is a Solicitor in the firm Blakiston & Crabb. For some 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 Vulcan Resources Limited, Black Range Minerals Ltd, Chatsworth Stirling Management Ltd, and Chatsworth Stirling Pty Ltd, an investment bank.

Mr Eric Edward Hughes, Non-Executive Director BBus., CPA

Mr Hughes is an accountant with more than 17 years experience in both corporate and practice environments. During the last 11 years he has been directly involved in the resources sector.

Mr Christopher John Davies, Non-Executive Director

Mr Davies joined Lonmin in 1991 in South Africa and is Group Technical Director, located at Lonmin Plc's London office. Mr Davies has over 12 years experience in the platinum group metal ("PGM") industry and has been closely involved with Lonmin's business development activities.

Mr John Derek Lewins, Executive Director

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, and commissioning of mines to sustained profitable mining operations.

Mr Geoffrey John Fenner, Non-Executive Director

Mr Fenner is the head of the Technical Division of Lonmin Platinum in South Africa, and has more than 30 years experience in the mining industry, including senior management roles in project development, strategic planning and metallurgical operations.

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DIRECTORS' REPORT (Cont'd)

Mr Allan Ewald Mulligan, Non-Executive Director

Mr Mulligan is the Manager of Lonmin's operations in Australia, and has 25 years experience in the mining industry, including senior management roles in mine design, project development, and mine management.

Mr William Alexander (Lex) Hansen, Non-Executive Director, BSc (Geology and Metallurgy), MBA, FAusIMM, FAICD. (appointed 21 January 2004)

Mr Hansen has more than 35 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. He has also been a director of a public listed gold exploration and development company.

2. FINANCIAL RESULTS

The operating loss after income tax of the Consolidated Entity for the half year ended 31 December, 2003 totalled \$1,170,399 (2002: \$438,244).

3. REVIEW OF OPERATIONS

EXPLORATION

In September the Company received results from the drilling program carried out on the Imagi Well and Byro Projects, which cover the Byro Layered Intrusion located approximately 150 km east of Gascoyne Junction.

Drilling identified a large high Platinum Group Metals supergene geochemical anomaly approximately 250 metres wide and up to 4 km long. The +100 ppb Pt + Pd anomaly appears to be platinum rich and returned assays from individual holes of up to 7 metres @ 270 ppb Pt + Pd from 16 metres.

This is a large anomaly which the Company believes significantly upgrades the PGM potential of the Imagi Well and the Byro Regional Projects. A reverse circulation and diamond drilling program is planned in the next field season to follow up on these results.

PANTON PLATINUM PALLADIUM PROJECT

The Feasibility Study on the Panton Platinum Palladium Project was completed in July and found that the project is technically sound but not commercially viable at prevailing metal prices and US\$ exchange rate.

Based on further internal evaluation work completed, the Company believes the Project would be commercially viable at a palladium price of US\$350, platinum price of US\$700 and exchange rate of US\$0.58. The Company is continuing to evaluate options to reduce the capital and operating costs for the Project, which could potentially allow development at near to current metal prices and US\$ exchange rate.

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DIRECTORS' REPORT (Cont'd)

SOUTH AFRICA

The Company has been focusing on identifying and evaluating potential Platinum Group Metals ("PGM") projects in South Africa and is in discussion with a number of producers and other companies involved in developing PGM projects. As a result of some of these discussions, the company has commenced test work to evaluate the potential application of the Calcine - Leach - Metals Recovery Process ("Panton Process") on a number of South African projects. These include existing process streams, open cut operations and new greenfields projects.

In the December quarter an initial testwork program was completed on the application of the "Panton Process" to a low grade PGM concentrate from an undeveloped South African PGM deposit and achieved comparable results to those achieved on concentrates from the Panton Project. Recoveries ranged from approximately 80% for platinum to over 95% for palladium and gold.

This is considered extremely significant as the results achieved on this South African Project confirm that the "Panton Process" can be successfully applied to ores other than Australian Panton Project.

The Company has continued to focus on identifying and evaluating potential PGM projects in South Africa and is planning to undertake further testwork on the application of the "Panton Process" to a number of other ores from South Africa.

Signed in accordance with a resolution of Directors.

JOHN D. LEWINS
Executive Director

West Perth, WA
11th March, 2004

PLATINUM AUSTRALIA LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2003

	Note	Consolidated	
		31 December 2003 \$	30 June 2003 \$
CURRENT ASSETS			
Cash Assets	2	1,206,962	1,488,063
Receivables		40,448	306,394
TOTAL CURRENT ASSETS		1,247,410	1,794,457
NON-CURRENT ASSETS			
Property, plant and equipment		301,533	380,610
Deferred exploration expenditure		-	-
Other Financial Assets		-	90,000
TOTAL NON-CURRENT ASSETS		301,533	470,610
TOTAL ASSETS		1,548,943	2,265,067
CURRENT LIABILITIES			
Payables		1,205,047	765,444
Provisions		35,755	41,608
TOTAL CURRENT LIABILITIES		1,240,802	807,052
TOTAL LIABILITIES		1,240,802	807,052
NET ASSETS		308,141	1,458,015
EQUITY			
Contributed equity	3	20,723,164	20,702,639
Accumulated losses	5	(20,415,023)	(19,244,624)
TOTAL EQUITY		308,141	1,458,015

The above statement of financial position should be read in conjunction with the accompanying notes.

PLATINUM AUSTRALIA LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

	Note	Consolidated	
		Half-Year Ended 31 December 2003 \$	Half-Year Ended 31 December 2002 \$
Revenue from ordinary activities	4	276,295	267,582
Other expenses from ordinary activities	4	(1,366,861)	(624,364)
Depreciation and amortisation expenses		(79,833)	(81,462)
Loss from ordinary activities before income tax expense		(1,170,399)	(438,244)
Income tax expense relating to ordinary activities		-	-
Loss from ordinary activities after related income tax expense attributable to members of Platinum Australia Limited		(1,170,399)	(438,244)
Total changes in equity other than those resulting from transactions with owners as owners		(1,170,399)	(438,244)
Basic loss per share	6	(0.017)	(0.007)
Diluted loss per share	6	(0.017)	(0.007)

The above statement of financial performance should be read in conjunction with the accompanying notes.

PLATINUM AUSTRALIA LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

	Note	Consolidated	
		Half-Year Ended 31 December 2003 Inflows/ (Outflows) \$	Half-Year Ended 31 December 2002 Inflows/ (Outflows) \$
<i>Cash Flows from Operating Activities</i>			
Interest received	4	22,027	54,401
Receipts Other		381,376	16,530
Payments to suppliers and employees		(572,023)	(628,668)
Payments for exploration activities		(908,720)	-
<i>Net cash outflows from Operating Activities</i>		(1,077,340)	(557,737)
<i>Cash Flows from Investing Activities</i>			
Proceeds from sale of investments		89,109	66,000
Exploration expenditure		-	(1,617,030)
Payment for purchase of fixed assets		(756)	(85,066)
Proceeds from disposal of fixed assets		4,230	-
<i>Net cash inflows/(outflows) from Investing Activities</i>		92,583	(1,636,096)
<i>Cash Flows from Financing Activities</i>			
Proceeds from issue of shares		31,120	3,095,514
Costs associated with issue of shares		(10,595)	(77,221)
Application money held for unallotted shares		683,131	-
<i>Net cash inflows from Financing Activities</i>		703,656	3,018,293
Net increase/(decrease) in cash held		(281,101)	824,460
Cash at beginning of the period		1,488,063	2,824,643
<i>Cash at the end of the period</i>	2	1,206,962	3,649,103

The above statement of cash flows should be read in conjunction with the accompanying notes.

PLATINUM AUSTRALIA LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

1. BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2003 and any public announcements made by Platinum Australia Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated entity.

As noted in the company's annual financial report for the year ended 30 June 2003, the company changed its accounting policy during that year in relation to exploration and evaluation expenditure, where such expenditure is now expensed in the year in which it is incurred. The Statement of Financial Performance for the half-year ended 31 December 2002 did not reflect this new policy as it was reflected in the annual financial report for the year ended 30 June 2003.

Had the Statement of Financial Performance for the half-year ended 31 December 2002 reflected this change of accounting policy, an amount of \$2,068,456 would have been expensed for that period, increasing the loss from ordinary activities for that period from \$438,244 to \$2,506,700. The consolidated entity's basic and diluted loss per share would have increased to \$0.04.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

	Consolidated	
	31 December 2003	30 June 2003
	\$	\$
2. CASH ASSETS		
Cash at bank	49,868	334,408
Cash on deposit	473,963	1,153,655
Cash received in relation to rights issue in progress	683,131	-
	1,206,962	1,488,063
	31 December 2003	30 June 2003
	\$	\$
3. CONTRIBUTED EQUITY		
Issued:		
69,766,370 ordinary fully paid shares (30 June 2003: 69,610,771 ordinary shares)	20,723,164	20,702,639
	20,723,164	20,702,639
Movements during the period:	No. of Shares	\$
Balance at 30 June 2003	69,610,771	20,702,639
Shares issued on exercise of options (1/9/04 @ 20c)	155,599	31,120
Share issue expenses	-	(10,595)
Balance at 31 December 2003	69,766,370	20,723,164
	69,766,370	20,723,164

PLATINUM AUSTRALIA LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

3. CONTRIBUTED EQUITY (Cont)	31 December 2003 No.	30 June 2003 No.
Listed Options		
20 cent options expiring 1 September 2004	34,290,450	34,446,049
Unlisted Options		
20 cent employee options expiring 1 September 2004	1,000,000	1,000,000
47 cent employee options expiring 3 April 2005	20,000	20,000
43.5 cent employee options expiring 14 March 2007	120,000	120,000
	1,140,000	1,140,000

4. LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX

Loss from ordinary activities before income tax includes the following specific revenues and expenses:

	Consolidated	
	31 December 2003 \$	31 December 2002 \$
<i>Revenues</i>		
Interest received	22,027	54,401
<i>Expenses</i>		
Depreciation	79,833	81,462
Exploration and evaluation expenditure incurred	704,560	-

	Consolidated	
	6 months to 31 December 2003 \$	Year to 30 June 2003 \$
5. ACCUMULATED LOSSES		
Accumulated losses at the beginning of financial period	(19,244,624)	(1,600,318)
Net loss for period	(1,170,399)	(17,644,306)
Accumulated losses at the end of financial period	(20,415,023)	(19,244,624)

6. EARNINGS PER SHARE

Basic loss per share	(0.017)	(0.007)
Diluted loss per share	(0.017)	(0.007)

Options are considered to be potential ordinary shares. However, they are not considered to be dilutive in nature as their exercise will not result in a diluted earnings per share that shows an inferior view of earnings performance of the Consolidated Entity than is shown by basic earnings per share.

7. SEGMENT INFORMATION

All activities are carried out in the same geographical and business segments.

PLATINUM AUSTRALIA LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

8. SUBSEQUENT EVENTS

No matters or circumstances have arisen at the end of the half year which have significantly affected or may significantly affect the operations, results or state of affairs of the Consolidated Entity in subsequent financial periods with the exception of:

Rights issue

In January 2004, the Company successfully completed a 1:6 pro-rata non-renounceable rights issue at an issue price of 20 cents per share with one free attaching option for every 2 shares issued, exercisable at 20 cents on or before 30 November 2006.

The issue raised a total of \$2,319,900 to be utilised as follows;

- To continue to evaluate options for the development of the Panton Platinum Palladium project;
- To continue to identify and evaluate opportunities for participation in Platinum Group Metals 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.

As at 31 December 2003, cash of \$683,131 had been received from shareholders. This has been separately disclosed in Note 2 and also included in the Payables balance at 31 December 2003. This Payables balance has been transferred to Contributed Equity subsequent to 31 December 2003, together with the balance of the proceeds of the rights issue.

PLATINUM AUSTRALIA LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes as set out on pages 5 to 10.
 - (a) comply with Accounting Standard AASB 1029, "Interim Financial Reporting" and the Corporations Regulations; and
 - (b) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2003 and its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Perth this 11th day of March, 2004.

Signed in accordance with a resolution of the directors.

JOHN D LEWINS
Director

INDEPENDENT REVIEW REPORT

To the members of PLATINUM AUSTRALIA LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the directors' declaration of Platinum Australia Limited for the half-year ended 31 December 2003. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company and that complies with Accounting Standard AASB 1029 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

(cont'd)

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Platinum Australia Limited, is not in accordance with:

- (a) the Corporations Act, including:
 - (i) giving a true and fair view of the consolidated entity's financial position at 31 December 2003 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

L Di Giallonardo

Perth, Western Australia
11 March 2004

L DI GIALLONARDO
Partner