

PLATINUM AUSTRALIA LIMITED
ACN 093 417 942

INTERIM FINANCIAL REPORT
TO 31 DECEMBER 2001

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, 2001.

1. DIRECTORS

The Directors in office at the date of this report are:

Mr. Peter Donald Allchurch, Chairman and Director, B.Sc, FAusIMM

Mr. Allchurch is a Fellow of the Australasian Institute of Mining and Metallurgy, Member of the Society of Economic Geologists, Member of the Petroleum Exploration Society of Australia. Mr. Allchurch is a geologist with more than 31 years experience in mineral exploration, mining and petroleum exploration, development and production. Mr. Allchurch is also a director of Amity Oil Limited.

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

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 Amity Oil Limited, Black Range Minerals Ltd., Ranger Minerals Ltd and Chatsworth Stirling Pty Ltd, an investment bank.

Mr. Eric Edward Hughes, Finance Director and Company Secretary 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 petroleum industry. Mr. Hughes is an executive director of Amity Oil Limited .

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. Albert Jamieson, Non-Executive Director

Mr. Jamieson has over 20 years experience in the PGM industry, including senior production and project management positions. He is currently responsible for Business Development within Lonmin, based in Lonplat's Johannesburg office, which has resulted in experience in Europe, South and North America, Africa and Australia.

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, commissioning of mines to sustained profitable mining operations.

Mr. Riccardo Emanuele Maria Vittino, Non-Executive Director FCPA; FAICD Dip; AIMM

Mr. Vittino is an accountant with over fifteen years experience in company secretarial and corporate management. Mr. Vittino has been involved with the resources sector since 1988 as a director of several listed and unlisted junior explorers. Currently he is Company Secretary of Helix Resources NL.

At the date of this Report the Directors' share and option holdings and relevant interest therein were:

	<i>Fully Paid Shares</i>	<i>Options</i>
P.D. Allchurch	2,225,000	2,225,000
M.G. Blakiston	-	425,000
C. Davies	-	-
E.E. Hughes	20,000	379,000
A. Jamieson	-	-
J.D. Lewins	-	-
R..E.M. Vittino	-	-

During the half-year ended 31 December, 2001, the Directors held 5 meetings and the attendance of Directors at those meetings were:

	<i>Meetings Attended</i>	<i>Eligible to Attend</i>
P.D. Allchurch	5	5
M.G. Blakiston	5	5
C. Davies (appointed 24 August 2001)	3	4
E.E. Hughes	5	5
A. Jamieson (appointed 27 August 2001)	2	3
J.D. Lewins	5	5
R.E.M. Vittino	5	5

2. FINANCIAL RESULTS

The operating loss after income tax of the Consolidated Entity for the half year ended 31 December, 2001 totalled \$325,643.

3. REVIEW OF OPERATIONS

3.1 PANTON PLATINUM PALLADIUM PROJECT

Resource Definition

The resource definition drilling programme was completed in December with a total of almost 40,000 metres of diamond and reverse circulation drilling completed since May. Results from this programme, together with the results from previous programmes are being incorporated into the new resource estimate to be completed by Snowden Mining Industry Consultants.

The recent drilling has also identified an area where the Top Reef is twinned, with two parallel reefs of similar thickness and grade occurring approximately three metres apart. The twinning extends over a strike length of up to 500 metres and a depth of 500 metres.

Metallurgical Testwork

An extensive programme of laboratory scale flotation tests has shown that a recovery of 80% Pt+Pd+Au can be recovered from the open cut material at a head grade of 5 g/t Pt+Pd+Au. Flotation tests on this material are continuing, with the objective of determining final product recovery and grade.

Results from the initial part of the laboratory scale flotation tests on the underground material show that recoveries of up to 90% can be achieved. This is a significant improvement on the Pre Feasibility Study results.

A 170 tonne bulk sample of near surface Top Reef has arrived in South Africa for pilot plant testwork. A 250 tonne bulk sample from the exploration decline has also been shipped to South Africa for pilot plant testwork.

Underground Test Mining

A 300 metre long exploration decline designed to provide access to the Top Reef approximately 70 metres below surface has been completed. Mining over a 50 metre strike length of the Top Reef was undertaken to generate information on geological and geotechnical conditions for use in mine design, as well as providing a bulk sample for pilot plant testwork.

3.2 McINTOSH PROJECT

A drilling programme of six holes totalling 600 metres has been completed at the project. The programme targeted chromitite reefs identified by earlier detailed surface mapping and rock chip sampling which had recorded values up to 4 g/t Pt+Pd+Au.

3.3 IMAGI WELL

A drilling programme at Imagi has confirmed the existence of a large layered mafic-ultramafic intrusion. Initial interpretations have indicated the intrusion continues to the SW of the current Imagi Well tenement and two new exploration licences have been applied for to secure this ground.

4. INTERNET WEB SITE

Copies of ASX announcements and details of Platinum's activities can be viewed at its website on www.platinumaus.com.au.

5. DIRECTORS' BENEFITS

No Director since the end of the previous financial year has received or become entitled to receive a benefit (other than a fixed salary of a full-time employee or a benefit that would be included in the aggregate amount of remuneration received or due and receivable by directors shown in the consolidated financial statements) by reason of a contract made by the company or a related corporation with the Director or with a firm of which the Director is a member, or a company which the Director has a substantial interest with the exception of fees for legal services paid to a firm in which Mr. M. Blakiston has an interest, on normal terms and conditions.

Signed in accordance with a resolution of Directors.

J. D. LEWINS

Director

West Perth, W.A.

14 March, 2002

PLATINUM AUSTRALIA LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF-YEAR AT 31 DECEMBER 2001

	Note	Consolidated	
		31 December 2001 \$	30 June 2001 \$
CURRENT ASSETS			
Cash Assets	2	6,490,255	1,087,402
Receivables	8	428,673	321,303
TOTAL CASH ASSETS		<u>6,918,928</u>	<u>1,408,705</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	407,403	105,440
Deferred exploration expenditure	3	9,782,205	4,276,007
TOTAL NON-CURRENT ASSETS		<u>10,189,608</u>	<u>4,381,447</u>
TOTAL ASSETS		<u>17,108,536</u>	<u>5,790,152</u>
CURRENT LIABILITIES			
Payables	10	160,975	529,178
Provisions		24,908	14,279
TOTAL CURRENT LIABILITIES		<u>185,883</u>	<u>543,457</u>
TOTAL LIABILITIES		<u>185,883</u>	<u>543,457</u>
NET ASSETS		<u>16,922,653</u>	<u>5,246,695</u>
EQUITY			
Contributed equity	4	17,656,773	5,655,172
Accumulated losses		(734,120)	(408,477)
TOTAL EQUITY		<u>16,922,653</u>	<u>5,246,695</u>

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 AT 31 DECEMBER 2001

	Note	Consolidated	
		Half-Year Ended 31 December 2001 \$	Half-Year Ended 31 December 2000 \$
Revenue from ordinary activities		989,679	103,779
Other expenses from ordinary activities		(1,277,285)	(126,985)
Depreciation and amortisation expenses		(38,037)	(12,288)
Loss from ordinary activities before income tax expense		(325,643)	(35,494)
Income tax expense relating to ordinary activities		-	-
Loss from ordinary activities after related income tax expense attributable to members of Platinum Australia Limited		(325,643)	(35,494)
Total changes in equity other than those resulting from Transactions with owners as owners		(325,643)	(35,494)
Basic loss per share	11	(0.06)	(0.015)
Diluted loss per share	11	(0.06)	(0.015)

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

PLATINUM AUSTRALIA LIMITED
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR AT 31 DECEMBER 2001

	Note	Consolidated	
		Half-Year Ended 31 December 2001 Inflows/ (Outflows) \$	Half-Year Ended 31 December 2000 Inflows/ (Outflows) \$
<i>Cash Flows from Operating Activities</i>			
Interest received		126,313	76,365
Receipts Other		-	27,414
GST Received/(Paid)		531,503	-
Payments to suppliers and employees		(1,565,429)	(490,350)
<i>Net cash (outflows) from operating activities</i>		(907,613)	(386,571)
<i>Cash Flows from Investing Activities</i>			
Payment for acquisition of subsidiaries		-	(700,000)
Payment for purchase of fixed assets		(340,515)	(128,612)
Exploration and development costs		(5,350,620)	(1,055,339)
Cash acquired on acquisition of controlled entity		-	15,144
<i>Net cash (outflows) from investment activities</i>		(5,691,135)	(1,868,807)
<i>Cash Flows from Financing Activities</i>			
Proceeds from issue of shares		12,001,601	6,003,000
Costs associated with issue of shares		-	(413,957)
<i>Net cash inflows from financing activities</i>		12,001,601	5,589,043
Net increase (decrease) in cash held		5,402,853	3,333,665
Cash at beginning of the period		1,087,402	1
<i>Cash at the end of the period</i>	2	6,490,255	3,333,666

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, 2001

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 2001 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 economic entity and are consistent with those applied in the 30 June 2001 annual report.

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

	Note	Consolidated	
		31 December 2001	30 June 2001
		\$	\$
2. CASH ASSETS			
Cash at bank		70,838	245,588
Cash on deposit		6,419,417	244,116
Bank endorsed bills		-	597,698
		6,490,255	1,087,402

3. DEFERRED EXPLORATION EXPENDITURE

Costs carried forward in respect of areas of interest in:
Exploration and/or evaluation phases

	9,782,205	4,276,007
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The ultimate recoupment of costs carried forward in respect of areas of interest still in the exploration and/or evaluation phases is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

PLATINUM AUSTRALIA LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2001

7. INCOME TAX

- (a) The companies within the Consolidated Entity have unconfirmed carried forward tax losses of approximately \$4,251,031. The benefit of these tax losses will only be realised if:
- (i) the companies within the Consolidated Entity derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised.
 - (ii) the companies within the Consolidated Entity continue to comply with the conditions for deductibility imposed by the law; and
 - (iii) no changes in tax legislation adversely affect the companies in realising the benefit from the deduction for losses.
- (b) The difference between income tax expense as provided in the financial statements and prima facie income tax expense is as follows:

	Consolidated	
	Half-Year Ended 31 December 2001	Half-Year Ended 31 December 2000
	\$	\$
Prima facie tax on operating loss at 30% (2000, 36%)	97,693	11,713
<i>Tax effect of Permanent Differences</i>		
Future income tax benefit not brought to account	(97,693)	(11,713)
Income Tax Expense	<u>-</u>	<u>-</u>

8. RECEIVABLES

GST refund	423,579	321,303
Other Debtors	5,094	-
	<u>428,673</u>	<u>321,303</u>

9. PROPERTY, PLANT AND EQUIPMENT

Motor Vehicles	75,106	40,574
Plant and Equipment (incl camp)	175,558	31,318
Office Furniture and Equipment	156,739	33,548
	<u>407,403</u>	<u>105,440</u>

PLATINUM AUSTRALIA LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2001

	Consolidated	
	31 December 2001 \$	30 June 2001 \$
10. PAYABLES		
Accounts payable Drilling/Exploration	93,604	403,057
Accounts payable Administration	54,241	39,728
Accrual for Directors' Fees	-	58,904
Accrual for Audit Fees	-	10,000
Owed to Amity Oil Limited	13,130	17,489
	160,975	529,178

11. EARNINGS PER SHARE

Basic loss per share	(0.06)	(0.015)
Diluted loss per share	(0.06)	(0.015)
	Number	Number
Weighted average number of ordinary shares on issue during the half-year used in the calculation of basic earnings per share	52,329,239	26,619,693

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.

12. SEGMENT INFORMATION

All activities are carried out in the same geographic and industrial segment.

13. COMMITMENTS FOR EXPENDITURE AND CONTINGENT LIABILITIES

There are no outstanding commitments or contingent liabilities not provided for in the financial statements of the Consolidated Entity as at 31 December 2001 other than:

In order to maintain rights of tenure to its tenements, the Consolidated Entity is committed to outlay an aggregate amount of approximately \$983,664 in the next 12 months for tenement rentals and to meet the statutory minimum expenditure conditions. Expenditure commitments for the ensuing year and beyond 2002/2003 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 to individual tenements.

14. SUBSEQUENT EVENTS

There are no material events subsequent to 31 December, 2001.

PLATINUM AUSTRALIA LIMITED
HALF YEAR REPORT
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes as set out on pages 5 to 11.
 - (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 2001 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 14th day of March, 2002.

Signed in accordance with a resolution of the directors.

E.E HUGHES
Director

J.D LEWINS
Director