

PLATINUM AUSTRALIA LIMITED
ACN 093 417 942

INTERIM FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2004

PLATINUM AUSTRALIA LIMITED
HALF YEAR REPORT AS AT 31 DECEMBER 2004

DIRECTORS' REPORT

The Directors of Platinum Australia Limited ("Platinum", "PLA" 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, 2004.

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
(Appointed 21 June 2000)

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 John Derek Lewins, Managing Director, B.Sc.(Mineral Eng), Grad Dip Management
(Appointed 3 May 2001)

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 Michael Gerrard Blakiston, Non-Executive Director, B.Juris.LLB
(Appointed 21 June 2000)

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, Rox Resources Ltd, Australia Development Capital Ltd, Tony Barlow Australia Ltd and Colltech Australia Ltd.

Mr Eric Edward Hughes, Non-Executive Director BBus., CPA
(Appointed 21 June 2000)

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 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.

Messrs Christopher John Davies, Geoffrey John Fenner and Allan Ewald Mulligan resigned as Directors on 30 September, 2004.

PLATINUM AUSTRALIA LIMITED
HALF YEAR REPORT AS AT 31 DECEMBER 2004

2. FINANCIAL RESULTS

The operating loss after income tax of the Consolidated Entity for the half year ended 31 December, 2004 totalled \$ 1,084,616 (2003:\$1,170,399).

3. REVIEW OF OPERATIONS

SOUTH AFRICA

In August 2004 PLA announced its first venture in South Africa with the signing of the Memorandum of Understanding with African Rainbow Minerals Platinum (Proprietary) Limited (“ARMplatinum”) to acquire up to 49% of the Kalahari Platinum (“Kalplats”) Platinum Group Metals (“PGM”) Project. The Kalplats Project which is at the pre feasibility stage is located 330 km west of Johannesburg and contains a resource of 3.4 million ounces 3E PGM (platinum + palladium + gold).

Also in August 2004, PLA also announced its second venture in South Africa, with the signing of a Heads of Agreement with 24 Rivers Mining (Pty) Ltd (“24RM”) to acquire up to 74% in the 24 Rivers PGM Project located on the northern limb of the Bushveld Complex.

In November 2004, PLA announced it had signed a binding Heads of Agreement to acquire a majority interest in the Smokey Hills PGM Project in the eastern limb of South Africa’s Bushveld Complex. The Project is up dip and immediately adjacent to the Modikwa Platinum Mine, an African Rainbow Minerals Platinum and Anglo Platinum joint venture which produces 360,000 ozs PGM per annum mining the UG2 reef.

Kalahari Platinum Project

The Kalplats PGM mineralisation occurs as a consistent layer within magnetite rich gabbros and magnetites that form part of the Stella Layered Intrusion close to the contact with the Kraaipan Greenstones. To date seven deposits have been identified over a strike length of 12 kilometres and drilled to an average depth of 150 metres. The deposits all remain open at depth and along strike and in addition a further three prospects have been identified outside of the known deposits.

The present resource of 3.4 million ounces 3E PGM is in the Indicated and Inferred category. Included in this resource are a series of coherent high grade reefs with a total width of approximately 7 metres which contain a resource of 12 million tonnes @ 3.6 g/t 3E PGM for 1.4 million ounces 3E PGM.

Metallurgical recoveries from Kalplats ores by flotation tend to be poor on low head grade material which has been the focus to date. However recoveries from the flotation test work on the high grade reefs tends to be significantly better, with results in the mid to high 70’s. Early test work by PLA indicates that recoveries are significantly improved using our patented Panton (calcine-cyanide leach) Process.

Subject to the completion of a Bankable Level Feasibility Study, PLA believes that the Kalplats Project has the potential to be developed as a world class open cut PGM operation producing 150,000 to 200,000 ounces 3E PGM per year. With the high grade reefs comparable in grade to many of the current South African underground operations where mining widths are typically in the order of one metre, the project has excellent potential to continue as a substantial underground operation.

PLATINUM AUSTRALIA LIMITED
HALF YEAR REPORT AS AT 31 DECEMBER 2004

The MOU with ARMplatinum provides for PLA to earn its interest in the project by completing a Bankable Feasibility Study (“BFS”) including further drilling and providing the right for the project to use the Panton Process.

ARMplatinum is part of the African Rainbow Minerals group, which has a market capitalisation in excess of \$1 billion and is the largest Black Empowerment Enterprise (“BEE”) mining company in South Africa.

PLA carried out a low level airborne geophysical survey at 50 metre line spacing in January 2005 to provide more detailed information prior to the commencement of drilling. Processing of the data is currently being undertaken, however preliminary review of the data has identified a number of targets outside of the known deposits.

Smokey Hills Platinum Project

The Smokey Hills PGM Project has over 6 kilometres of mapped UG2 reef outcropping around the margin of two hills. PLA collected 9 channel samples across the full width of the UG2 reef along approximately 3.5 kilometres of exposed reef. The sample assays showed relatively minor variation and an average of 8.79 g/t 4E PGM over an average reef width of approximately 0.55 metres.

Based on the sampling of the reef outcrop by PLA and the well established continuity of the UG2 reef which is mined over tens of kilometres in numerous mines, PLA estimated that there was a target of up to 1 million ounces of 4E PGM in the Smokey Hills Project area.

As part of the due diligence PLA drilled three diamond drill holes on the project during the December quarter. The results from these holes show an average estimated true thickness intersection of UG2 reef of 0.72 metres at a grade of 8.74 g/t 4E PGM. It is considered significant that the average grade of the three drill holes at 8.74 g/t 4E PGM is almost identical to that from the sampling of the reef outcrop, but the average estimated true thickness is over 30% greater at 0.72 metres. This has potential implications in terms of the target size for the project area.

It should be noted that this target is of a conceptual nature and does not imply that a mineral resource has been or will be defined; however the results from the current drilling have significantly increased the confidence in the potential of the project.

TABLE 1 - SMOKEY HILLS DIAMOND RESULTS

Hole No	UG2 Intersection		Width	Pt g/t	Pd g/t	Rh g/t	Au g/t	4E PGM ¹ g/t	7E PGM ² g/t
	From	To							
SHDD001	75.90	76.81	0.91	3.78	3.56	0.87	0.12	8.37	9.66
SHDD002	97.35	97.96	0.61	4.38	3.89	0.94	0.07	9.28	11.27
	106.75	107.55	0.80	3.94	2.95	0.82	0.07	7.78	9.53
SHDD003	26.01	26.58	0.57	4.10	4.96	0.89	0.17	10.12	11.93

1 4E PGM - Pt + Pd + Rh + Au

2 7E PGM - Pt + Pd + Rh + Ru + Ir + Os + Au

Assays are fire assays with nickel sulphide collection and ICP– MS element determination

Assay by Ultra Genalysis Laboratory Services, Perth, Western Australia, a NATA registered laboratory No 3244

Subject to the completion of a Bankable Level Feasibility Study, PLA believes that the Smokey Hills Project has the potential to produce approximately 75,000 ounces 4E PGM per year.

PLATINUM AUSTRALIA LIMITED
HALF YEAR REPORT AS AT 31 DECEMBER 2004

A comprehensive drilling program is planned to commence in the near future aimed at defining a JORC compliant resource for the project as part of a BFS.

PLA believes that the shallow outcropping nature and geometry of the UG2 reef at Smokey Hills facilitates a rapid and low cost completion of the resource definition and project evaluation phases necessary to bring the project into production. It is anticipated that the drilling of the Smokey Hills Project could be completed early in 2005 and that a BFS could be completed in the second half of 2005.

Under the terms of the Heads of Agreement, PLA will acquire 74% of South African company Geoplat Resources Ltd ("GPL") by providing funds to GPL to allow it to acquire 80% of the Smokey Hills PGM Project. PLA can acquire the balance of the 26% shareholding in GPL for 15 million fully paid ordinary shares in PLA (escalated proportionately in the event of any subsequent share issues prior to the completion of the feasibility study).

24 Rivers PGM Project

The 24 Rivers PGM Project is an early stage exploration project located on the northern limb of the Bushveld Complex along strike and to the south of Anglo Platinum's PPRust open cut platinum mine. Based on current geological interpretation and preliminary mapping, PLA believes that the property has the potential to host up to 2 kilometres of Bushveld Complex containing the Platreef which is mined at the PPRust operation.

The Heads of Agreement signed with 24RM provides for PLA to earn up to 74% in the project by spending approximately \$900,000 on the project and completing a Feasibility Study.

PANTON

The Panton Project is currently on hold following the completion of the Bankable Level Feasibility Study August 2003 which found that the project was technically sound but not commercially viable. The Company believes that there is potential for a smaller, initially open cut project to be developed at prevailing metal prices and US\$ exchange rate. A review of the project is currently under way to evaluate possible alternate development options including focusing on capital and operating cost reduction and the use of plant and infrastructure from other regionally located operations.

4. CORPORATE

The Annual General Meeting was held on 25 November 2004 at which Mr Michael Blakiston and Mr William Hansen were re-elected and approval was granted to place up to 25 million fully paid ordinary shares in the Company.

PLA made two placements totalling 18.2 million shares at 20 cents raising \$3.64 million during the December 2004 quarter. These funds will be used to purchase the Smokey Hills Platinum Project; to advance the Smokey Hills and Kalahari Platinum Projects; and to provide general working capital.

PLATINUM AUSTRALIA LIMITED
HALF YEAR REPORT AS AT 31 DECEMBER 2004

5. AUDITORS' INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our Auditors, HLB Mann Judd, to provide the Directors of the company with an Independence Declaration in relation to the audit of the half year financial report. This independence declaration is set out on page 6 and forms part of this Directors' Report for the half year ended 31 December 2004.

This report is made in accordance with a resolution of the Directors.



JOHN D. LEWINS
Managing Director

West Perth, WA
16 March 2005

Auditors' Independence Declaration

As lead auditor for the audit of the financial report of Platinum Australia Limited for the half year ended 31 December 2004, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Platinum Australia Limited.

Perth, Western Australia
16 March 2005



L DI GIALLONARDO
Partner, HLB Mann Judd

PLATINUM AUSTRALIA LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2004

	Note	Consolidated	
		31 December 2004 \$	30 June 2004 \$
CURRENT ASSETS			
Cash Assets	2	4,044,601	1,610,216
Receivables		126,860	33,994
TOTAL CURRENT ASSETS		4,171,461	1,644,210
NON-CURRENT ASSETS			
Property, plant and equipment		91,922	134,368
TOTAL NON-CURRENT ASSETS		91,922	134,368
TOTAL ASSETS		4,263,383	1,778,578
CURRENT LIABILITIES			
Payables		272,230	153,088
Provisions		55,350	55,132
TOTAL CURRENT LIABILITIES		327,580	208,220
TOTAL LIABILITIES		327,580	208,220
NET ASSETS		3,935,803	1,570,358
EQUITY			
Contributed equity	3	26,387,003	22,936,942
Accumulated losses	5	(22,451,200)	(21,366,584)
TOTAL EQUITY		3,935,803	1,570,358

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 2004

	Note	Consolidated	
		Half-Year Ended 31 December 2004 \$	Half-Year Ended 31 December 2003 \$
Revenue from ordinary activities		183,735	276,295
Other expenses from ordinary activities		(1,222,505)	(1,366,861)
Depreciation and amortisation expenses		(45,846)	(79,833)
Loss from ordinary activities before income tax expense	4	<u>(1,084,616)</u>	<u>(1,170,399)</u>
Income tax expense relating to ordinary activities		-	-
Loss from ordinary activities after related income tax expense attributable to members of Platinum Australia Limited		<u>(1,084,616)</u>	<u>(1,170,399)</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u><u>(1,084,616)</u></u>	<u><u>(1,170,399)</u></u>
		cents	cents
Basic loss per share	6	(1.3)	(1.7)
Diluted loss per share	6	(1.3)	(1.7)

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 2004

	Note	Consolidated Half-Year Ended 31 December 2004 Inflows/ (Outflows) \$	Half-Year Ended 31 December 2003 Inflows/ (Outflows) \$
<i>Cash Flows from Operating Activities</i>			
Interest received	4	35,056	22,027
Receipts Other		-	381,376
Payments to suppliers and employees		(585,140)	(572,023)
Payments for exploration activities		(443,522)	(908,720)
<i>Net cash outflows from Operating Activities</i>		<u>(993,606)</u>	<u>(1,077,340)</u>
<i>Cash Flows from Investing Activities</i>			
Proceeds from sale of investments		-	89,109
Payment for purchase of fixed assets		(3,400)	(756)
Proceeds from disposal of fixed assets		900	4,230
Loans to related parties		(66,052)	-
Payments for security deposits		(13,518)	-
<i>Net cash (outflows)/inflows from Investing Activities</i>		<u>(82,070)</u>	<u>92,583</u>
<i>Cash Flows from Financing Activities</i>			
Proceeds from issue of shares		3,644,261	31,120
Costs associated with issue of shares		(134,200)	(10,595)
Application money held for unallotted shares		-	683,131
<i>Net cash inflows from Financing Activities</i>		<u>3,510,061</u>	<u>703,656</u>
Net increase/(decrease) in cash held		2,434,385	(281,101)
Cash at beginning of the period		1,610,216	1,488,063
<i>Cash at the end of the period</i>	2	<u><u>4,044,601</u></u>	<u><u>1,206,962</u></u>

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 2004

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 2004 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.

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

	Consolidated	
	31 December 2004	30 June 2004
	\$	\$
2. CASH ASSETS		
Cash at bank	78,945	130,179
Cash on deposit	3,965,656	1,480,037
	4,044,601	1,610,216
	31 December 2004	30 June 2004
	\$	\$
3. CONTRIBUTED EQUITY		
Issued: 99,612,523 ordinary fully paid shares (30 June 2004: 81,391,218 ordinary shares)	26,387,003	22,936,942
Movements during the period:	No. of Shares	\$
Balance at 30 June 2004	81,391,218	22,936,942
Shares issued on exercise of options *	21,305	4,261
Placement (November 2004)	12,200,000	2,440,000
Placement (December 2004)	6,000,000	1,200,000
Share issue expenses	-	(194,200)
Balance at 31 December 2004	99,612,523	26,387,003

* Exercisable at 20c, expiring 1/9/04.

PLATINUM AUSTRALIA LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2004

3. CONTRIBUTED EQUITY (Cont'd)	31 December 2004	30 June 2004
	No.	No.
<u>Listed Options</u>		
20 cent options expiring 1 September 2004	-	34,265,450
20 cent options expiring 30 November 2006	5,799,213	5,799,465
	<hr/>	<hr/>
<u>Unlisted Options</u>		
20 cent employee options expiring 29 October 2005	1,000,000	1,000,000
43.5 cent employee options expiring 14 March 2007	15,000	120,000
22.5 cent employee options expiring 5 November 2008	270,000	-
35 cent Directors' options expiring 10 December 2009	5,000,000	-
20 cent Directors' options expiring 11 December 2009	2,500,000	-
	<hr/>	<hr/>
	8,785,000	1,120,000
	<hr/> <hr/>	<hr/> <hr/>

	Consolidated	
	31 December	31 December
	2004	2004
	\$	\$
4. LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX		

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

Revenues

Interest received	35,056	22,027
	<hr/>	<hr/>

Expenses

Depreciation	45,846	79,833
Exploration and evaluation expenditure incurred	346,349	704,560
	<hr/>	<hr/>

5. ACCUMULATED LOSSES		
Accumulated losses at the beginning of financial period	(21,366,584)	(19,244,624)
Net loss for period	(1,084,616)	(2,121,960)
Accumulated losses at the end of financial period	<hr/>	<hr/>
	(22,451,200)	(21,366,584)
	<hr/> <hr/>	<hr/> <hr/>

	6 Months to	6 Months to
	31 December	31 December 2003
	2004	
6. EARNINGS PER SHARE	Cents	Cents
Basic loss per share	(1.3)	(1.7)
Diluted loss per share	(1.3)	(1.7)

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.

PLATINUM AUSTRALIA LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2004

7. SEGMENT INFORMATION – PRIMARY SEGMENT

The Consolidated Entity operates in one business segment, mainly platinum-palladium and gold and base metals exploration. During the period, the Consolidated Entity registered a wholly-owned controlled entity in South Africa and loaned monies to it in order for it to conduct similar activities in South Africa.

Geographical Segments

	Australia	Australia	South Africa	South Africa	Consolidated	Consolidated
	6 Months to 31/12/04	6 Months to 31/12/03	6 Months to 31/12/04	6 Months to 31/12/03	6 Months to 31/12/04	6 Months to 31/12/03
	\$	\$	\$	\$	\$	\$
REVENUE						
Interest received	35,021	22,027	35	-	35,056	22,027
Other revenue from customers outside the Consolidated Entity	148,679	254,268	-	-	148,679	254,268
Total segment revenue	<u>183,700</u>	<u>276,295</u>	<u>35</u>	<u>-</u>	<u>183,735</u>	<u>276,295</u>
RESULTS						
Segment result	(1,048,481)	(1,170,399)	(36,135)	-	(1,084,616)	(1,170,399)
Consolidated Entity loss from ordinary activities before income tax expense					<u>(1,084,616)</u>	<u>(1,170,399)</u>
	31/12/04	30/06/04	31/12/04	30/06/04	31/12/04	30/06/04
	\$	\$	\$	\$	\$	\$
ASSETS						
Segment assets	3,541,729	1,778,578	721,654	-	4,263,383	1,778,578
Total assets					<u>4,263,383</u>	<u>1,778,578</u>
LIABILITIES						
Segment Liabilities	327,580	208,220	-	-	327,580	208,220
Total liabilities					<u>327,580</u>	<u>208,220</u>

PLATINUM AUSTRALIA LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2004

8. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial period which have significantly affected or may significantly affect the operations, results or state of affairs of the Consolidated Entity in subsequent financial periods.

9. CONTROLLED ENTITIES

Controlled entities of Platinum Australia Limited:

	Country Of Registration	Holding 31/12/04 %	Holding 30/06/04 %	31 December 2004 \$	30 June 2004 \$
Platinum Exploration NL	Australia	100	100	100	100
Platinum Australia SA (Pty) Ltd	South Africa	100	N/A	-	N/A

10. ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial periods commencing 1 January 2005. This requires the production of accounting data for future comparative purposes for disclosure in the Consolidated Entity's first fully IFRS compliant financial report for the year ending 30 June 2006.

The Consolidated Entity's management is assessing the significance of these changes and preparing for their implementation. We will seek to keep stakeholders informed as to the impact of these new standards as they are finalised. The Directors are of the opinion that the key differences in the Consolidated Entity's accounting policies which will arise from the adoption of IFRS are:

Impairment of Assets

The Consolidated Entity currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the asset's use and subsequent disposal. In terms of AASB 136: Impairment of Assets, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised more often than under the existing policy.

Income Tax

Currently, the Consolidated Entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under AASB 112: Income Taxes, the Consolidated Entity will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit.

PLATINUM AUSTRALIA LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2004

10. ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

The Consolidated Entity also has carried forward income tax losses which have not been recognised as deferred tax assets as they do not satisfy the “virtually certain” test under current Australian Accounting Standards. Under AASB 112, it will be easier to recognise these tax losses as deferred tax assets due to the recognition test being based on whether it is “probable” that the losses will be recovered.

Share-based Payment

Share based compensation forms part of the remuneration of employees of the Consolidated Entity as disclosed in the notes to the financial statements. The Consolidated Entity currently does not recognise an expense for any share-based compensation granted. Under AASB 2: Share-Based Payment, the Consolidated Entity will be required to recognise an expense for such share-based compensation. Share-based compensation is measured at the fair value of the share options determined at grant date and recognised over the expected vesting period of the options. A reversal of the expense will be permitted to the extent that non-market based vesting conditions, such as service, are not met.

Extractive Industries

Under AASB 6: Exploration for and Evaluation of Mineral Resources, entities recognising exploration and evaluation assets must perform impairment tests on these assets when facts and circumstances suggest that the carrying amounts of these assets may be impaired. As the Consolidated Entity’s accounting policy is to expense all exploration and evaluation expenditure in the period in which it is incurred, the directors do not believe that this will have a major impact on the Consolidated Entity.

PLATINUM AUSTRALIA LIMITED
HALF YEAR REPORT AS AT 31 DECEMBER 2004

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes as set out on pages 7 to 14.
 - (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 2004 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 16th day of March, 2005

Signed in accordance with a resolution of the directors.



JOHN D LEWINS
Managing Director

Chartered Accountants

INDEPENDENT AUDIT 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 for the half-year ended 31 December 2004, and the directors' declaration for the consolidated entity comprising Platinum Australia Limited ("the company") and the entities it controlled during the half-year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and 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.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects, the financial report presents fairly, in accordance with the Corporations Act 2001, Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia, a view which is consistent with our understanding of the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

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

Audit Opinion

In our opinion, the financial report of Platinum Australia Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2004 and of its performance for the half-year then ended; 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.

Perth, Western Australia
16 March 2005

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

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Partner