



NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

AND

EXPLANATORY MEMORANDUM

Date of Meeting

Monday, 30 November 2009

Time of Meeting

2.00 pm

Place of Meeting

QV.1 Conference Centre
Level 2, 250 St George's Terrace
PERTH WA 6000

Level 3, 18 Richardson Street
West Perth WA 6005

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**PLATINUM AUSTRALIA LIMITED
ACN 093 417 942**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the members of Platinum Australia Limited ("**Company**") will be held at QV.1 Conference Centre, Level 2, 250 St George's Terrace, PERTH WA 6000 on Monday, 30 November 2009 at 2.00 pm for the purpose of transacting the following business;

AGENDA

BUSINESS

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice of Meeting.

Annual Accounts

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report of the Company for the year ended 30 June 2009.

Resolution 1. Remuneration Report

To consider and, if thought fit, to approve the following resolution as an **ordinary resolution**:

"To adopt the Remuneration Report for the year ended 30 June 2009 as set out in the Company's Financial Report for the same period."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Resolution 2. Re-election of Mr Eric Hughes

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr Eric Hughes, who retires by rotation in accordance with Rule 13.2 of the Company's Constitution and being eligible, offers himself for re-election, be re-elected as a Director."

Resolution 3. Ratification of Share Issue

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 of the Listing Rules of the Australian Securities Exchange Ltd and for all other purposes, the Company ratifies the allotment and issue of 37,500,000 Ordinary Shares as detailed in the attached Explanatory Memorandum to this Notice of Meeting"

."

For the purposes of Resolution 3:

- (1) The shares issued are Ordinary Shares which rank pari passu with existing shares.
- (2) The Company will disregard any votes cast on this Resolution 3 by any person who participated in the issue or any associate of that person. However, the Company need not disregard a vote if:
 - it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 – Ratification of Option Issue

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 of the Listing Rules of the Australian Securities Exchange Ltd and for all other purposes, the Company ratifies the allotment and issue of 1,428,571 unlisted options exercisable at \$1.05 and expiring on 31 August, 2011 as detailed in the attached Explanatory Memorandum.to this Notice of Meeting"

For the purposes of Resolution 4: The Company will disregard any votes cast on this Resolution 4 by any person who participated in the issue or any associate of that person. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Other Business

To deal with any other business which may be brought forward in accordance with the Company's Constitution and the Corporations Act 2001 (Cth).

By order of the Board



GILLIAN SWABY

Company Secretary

Dated: 16 October, 2009

PROXIES

A shareholder entitled to attend and vote at the above Annual General Meeting of shareholders may appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. A proxy may, but need not be, a shareholder of the Company. Proxy forms must reach the Registered Office of the Company at least 48 hours prior to the Annual General Meeting.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that members holding ordinary shares at the close of business on 27th November 2009 will be entitled to attend and vote at the Annual General Meeting.

PLATINUM AUSTRALIA LIMITED
ACN 093 417 942

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting (“**Notice**”) of the Company.

The Directors of the Company (“**Directors**”) recommend shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice:

ANNUAL ACCOUNTS

Appropriate time will be devoted to the consideration of the Financial Statements and Reports of the Company for the year ended 30 June 2009.

RESOLUTION 1: REMUNERATION REPORT

The Board is submitting its Remuneration Report to shareholders for consideration and adoption by way of a non-binding resolution.

The Remuneration Report forms part of the Directors’ Report, included in the 2009 Annual Report, which Remuneration Report is incorporated by reference herein. The Report:

- (a) explains the Board’s policy for determining the nature and amount of remuneration of the executive director of the Company;
- (b) explains the relationship between the Board’s remuneration policy and the Company’s performance;
- (c) sets out remuneration details for each Director of the Company; and
- (d) details and explains any performance conditions applicable to the remuneration of the executive director and non-executive directors of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

RESOLUTION 2: RE-ELECTION OF DIRECTOR

The Company’s constitution requires that one third of directors retire by rotation at each Annual General Meeting such that no director holds office for a period in excess of 3 years. Mr Eric Hughes retires by rotation, and being eligible, offers himself for re-election.

RESOLUTION 3: RATIFICATION OF SHARE ISSUE

The Shares referred to in Resolution 3 were issued on 8 October 2009 to institutional clients of RBC Capital Markets and UBS AG Australia Branch who acted as Joint Lead Underwriters and Bookrunners to the placement.

Listing Rule 7.4

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a company’s maximum discretionary power to issue further Shares constituting up to 15% of the issued capital of the company without requiring shareholder approval.

Information for Shareholders

Listing Rule 7.5 requires the following information to be provided to Shareholders for the purpose of seeking approval under Listing Rule 7.4:

- (e) Resolution 3 has been included so that Shareholders may approve and ratify pursuant to Listing Rule 7.4 the issue of a total of 37,500,000 Ordinary Shares to those parties referred to above.
- (f) The Ordinary Shares were issued at \$0.81 per Ordinary Share.
- (g) The Ordinary Shares issued rank pari passu with, and on the same terms as, the existing Ordinary Shares on issue.
- (h) The use of funds raised by reason of the allotment is as follows:
 - assist with funding requirements for the development of Platinum Australia's Kalahari Platinum Project;
 - complete the acquisition of a 70% interest in the Rooderand Project and to advance that interest after the acquisition; ;
 - fund further exploration across Platinum Australia's tenements;
 - provide enhanced balance sheet and working capital flexibility; and
 - position the Company to pursue potential acquisition opportunities.

The Company wishes to ratify the issue pursuant to Listing Rule 7.4 in order to allow the Company to have the right to place up to a further 15% of its issued capital at any time during the next 12 months should circumstances require.

RESOLUTION 4: RATIFICATION OF OPTION ISSUE

The Options referred to in Resolution 4 were issued on 8 September 2009 to Macquarie Bank Limited as part of the bridging finance facility provided by Macquarie Bank Limited as announced to ASX on 21 August, 2009.

Listing Rule 7.4

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further Shares constituting up to 15% of the issued capital of the company without requiring shareholder approval.

Information for Shareholders

Listing Rule 7.5 requires the following information to be provided to Shareholders for the purpose of seeking approval under Listing Rule 7.4:

- (i) Resolution 4 has been included so that Shareholders may approve and ratify pursuant to Listing Rule 7.4 the issue of a total of 1,428,571 unlisted options, exercisable at \$1.05 and expiring 31 August, 2011 to the party referred to above.
- (j) The Options were issued at nil consideration; and.
- (k) The Ordinary Shares resulting from any exercise of the Options will rank pari passu with, and on the same terms as, the existing Ordinary Shares on issue.

The terms and conditions of the options are as follows:

- *Each Option entitles the Option Holder or any other holder of an Option (each an Optionholder) to the issue of one fully paid ordinary share in the capital of the Company (Share) upon exercise by notice in writing (in the form attached to this certificate) and payment of the exercise price, during the exercise period.*
- *An Optionholder has no obligation to exercise all its Options at the same time.*
- *The exercise price of each Option is A\$1.05 (Exercise Price).*
- *The option expiry date is 31 August 2011 (Option Expiry Date).*
- *The Options will be freely transferable provided that the offer of the Options to the proposed transferee will not require disclosure under Part 6D.2 of the Corporations Act. Promptly following any transfer of the Options the transferor and the transferee will notify the Company of the transfer and (subject to the return of the certificate relating to the transferred Options) the Company will issue a new Options Certificate to the transferor and the transferee reflecting their respective holdings of Options.*
- *Each Option may be exercised at any time before 5pm (EST) on the Option Expiry Date upon the payment of the Exercise Price.*
- *Options may be exercised by delivering to the Borrower:*
 - *the application for shares on exercise of options (Exercise Notice) duly executed by the holder (together with this certificate) specifying the number of Options being exercised (Relevant Number); and*
 - *an amount equal to the Exercise Price multiplied by the number of Options being exercised (the Settlement Price) or a statement in the Exercise Notice that the Settlement Price will be set-off against the Principal Outstanding.*
- *The Company must within 5 Business Days of the receipt of the documents and/or funds referred to above:*
 - *issue to the Optionholder the Relevant Number of Shares,*
 - *issue, or cause to be issued, to the Optionholder or its nominee a holder identification statement for the Relevant Number of Shares; and*
 - *if applicable, issue a replacement Options Certificate to the Optionholder for the balance of any unexercised Options.*
- *The Shares issued pursuant to the exercise of the Options must be issued as fully paid shares.*
- *The Company must comply with the ASX Listing Rules, the Corporations Act and its constitution in relation to each issue of the Options on or before the relevant issue date (the Options Issue Date). Without limiting the foregoing, the Company must ensure that it is in a position to issue Options on the relevant Options Issue Date without contravening ASX Listing Rule 7.1.*
- *Until the Option Expiry Date, the Company must:*
 - *ensure that the Optionholder is given notice of all general meetings of the Company and of all resolutions to be considered at those meetings at the same time the shareholders of the Company are issued with notices; and*
 - *not do anything by way of altering its constitution or otherwise which has the effect of changing or converting any Shares into shares of another class, or restricts the Company's ability to issue the Options or to issue Shares on the exercise of Options.*

- *Until the Option Expiry Date, the Company must ensure that the Optionholder is given:*
 - *at least 15 Business Days written notice prior to the Record Date in relation to any pro-rata issue of shares or rights to subscribe for shares issued or to be issued by the Company (Additional Rights); and*
 - *at least 15 Business Days written notice prior to the date on which a person may accept an offer of such issue of Additional Rights.*
- *An Option does not confer any rights to dividends.*
- *An Option does not confer any right on the holder to participate in a new issue without exercising the Option.*
- *The Optionholder will be entitled to participate in any rights to take up Additional Rights on the same terms and conditions as applicable to the other offerees or shareholders of the Company provided that the Optionholder has exercised any Option prior to the date that is:*
 - *in relation to any pro-rata issue of Additional Rights, the Record Date; and*
 - *in relation to any other issue of Additional Rights, the date on which a person may accept an offer of such issue of Additional Rights.*
- *Any Shares issued to the Optionholder by the Borrower as a result of the exercise of an Option will rank pari passu in all respects with all other Shares. Shares issued upon the exercise of Options will only carry an entitlement to receive a dividend if they were issued before the record date for that dividend.*
- *If there is a Pro Rata Issue (except a Bonus Issue), from the date of the issue the Exercise Price of Options on issue is reduced according to this formula:*

$$A = O - \frac{E \{P - (S + D)\}}{(N + 1)}$$

Where:

A= the new exercise price of the Option;

O= the old exercise price of the Option;

E= the number of underlying shares into which one Option is exercisable;

P= the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stock market of ASX during the 5 trading days ending on the day before the ex rights date or ex entitlement date (excluding special crossings or overnight sales);

S= the subscription price for a security under the pro rata issue;

D= the dividend due but not yet paid on each ordinary share at the relevant time (except those to be issued under the pro rata issue); and

N= the number of ordinary shares that must be held to entitle holders to receive a right to one new security in the pro rata issue.

- *If there is a Bonus Issue to holders of Underlying Securities, from the date of the issue the number of Securities over which an Option is exercisable is increased by the number of Securities which the holder of the Option would have received if the Option had been exercised before the Record Date for the Bonus Issue.*
- *If, before exercise or expiry of the Options, the Company implements a reorganisation of its capital, the Options must be treated in the manner required by ASX Listing Rule 7.22 (as at the date of this certificate).*
- *Notwithstanding the foregoing, the Company must not issue new Shares (other than by way of placement of Shares by the Company at any time and from time to time in accordance with Chapter 7 of the ASX Listing Rules), consolidate Shares, or alter rights or otherwise re-organise its capital in a way which could or might*

detract from the value of the Options unless the Company obtains the prior written consent of the Optionholder, provided that the Company is not required to comply with this paragraph to the extent that doing so would result in a breach by the directors of the Company of their duties to the Company or its shareholders, arising in their capacity as directors of the Company.

- *The Company shall (within 3 Business Days of the Optionholder having exercised any Options or earlier if required by the ASX Listing Rules) apply for official quotation on ASX of the Exercise Shares allotted as a result of the exercise.*
- *At the time any Shares are issued upon the exercise of an Option, the Company will provide (and the Company will not do, or omit to do, anything to prevent it from providing at that time):*
 - *a notice to the Australian Securities Exchange under section 708A(5)(e) of the Corporations Act; or*
 - *a prospectus to be lodged in accordance with Chapter 6D of the Corporations Act.*
- *The Company may vary the terms of Options, and change their holders' rights, to the extent necessary to comply with the ASX Listing Rules applying to reorganisations of capital at the time of the reorganisation. The Company must notify the Optionholder of any such variation to the terms of Options immediately after the date of the variation.*
- *Subject to the ASX Listing Rules, the terms of Options applicable to a particular holder may be varied at any time by written agreement between the Company and the Optionholder.*
- *If any Options Certificate is lost, stolen, mutilated, defaced or destroyed, the holder of the relevant Options may apply for a replacement certificate. The application must be accompanied by:*
 - *a written statement that the certificate has been lost or destroyed and not otherwise pledged, sold or otherwise disposed of;*
 - *if the certificate has been lost, a written statement that proper searches have been made; and*
 - *an undertaking that, if the certificate is found or received by the holder of the relevant Options, it will be returned to the Company.*
- *The Company must issue a replacement certificate within 10 Business Days after receipt of the documents referred to above.*
- *In this certificate the expressions Bonus Issue, Pro Rata Issue, Record Date, Security and Underlying Security have the same meaning as in the ASX Listing Rules.*
- *These terms and the Options are governed by the laws of New South Wales*

The Company wishes to ratify the issue pursuant to Listing Rule 7.4 in order to allow the Company to have the right to place up to a further 15% of its issued capital at any time during the next 12 months should circumstances require.

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