

PLATINUM AUSTRALIA LIMITED

ACN 093 417 942

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

6 July 2009

Time of Meeting

10.00am (Perth time)

Place of Meeting

The Celtic Club
48 Ord Street
West Perth, Western Australia

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.
If you are unable to attend the General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

**PLATINUM AUSTRALIA
LIMITED
ACN 093 417 942**

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of Platinum Australia Limited ACN 093 417 942 ("Company") will be held at 10.00am (Perth time) on 6 July 2009 at The Celtic Club, 48 Ord Street, West Perth, Western Australia, for the purpose of transacting the following business referred to in this Notice of General Meeting.

AGENDA

ITEMS OF BUSINESS

1. Resolution 1 – Ratification of Issue of 565,000 Options

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratify the issue of 565,000 Options for no consideration on 28 July 2008, each Option having an expiry date of 31 July 2012, to the allottees, with the exercise price and otherwise on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."

The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue the subject of Resolution 1 and any person associated with those persons. However, the Company need not disregard a vote if the vote 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 the vote 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.

2. Resolution 2 – Ratification of Issue of 27,000,000 Shares

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratifies the allotment and issue of 27,000,000 Shares (at an issue price of \$0.54 each) on 9 February 2009 to the allottees and on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 2 by any person who participated in the issue the subject of Resolution 2 and any person associated with those persons. However, the Company need not disregard a vote if the vote 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 the vote 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.

3. Resolution 3 – Ratification of Issue of 5,332,827 Shares (Tranche 1)

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratifies the allotment and issue of 5,332,827 Shares (at an issue price of \$1.02 each) to the allottees and on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 3 by any person who participated in the issue the subject of Resolution 3 and any person associated with those persons. However, the Company need not disregard a vote if the vote 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 the vote 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.

4. Resolution 4 – Approval of Issue of 54,667,173 Shares (Tranche 2)

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

“That, subject to the passing of Resolution 3, and for the purpose of Listing Rule 7.1 and for all other purposes, the Company approves the allotment and issue of up to 54,667,173 Shares at an issue price of \$1.02 per Share to the allottees and on the terms and conditions set out in the Explanatory Memorandum.”

<p>The Company will disregard any votes cast on Resolution 4 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any person associated with those persons. However, the Company need not disregard a vote if the vote 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 the vote 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.</p>

For the purposes of Resolutions 1 - 4, the following definitions apply:

"ASX" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

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

"Constitution" means the Company's constitution, as amended from time to time;

"Explanatory Memorandum" means the explanatory memorandum accompanying this Notice;

"Listing Rules" means the Listing Rules of the ASX;

"Notice" means this Notice of General Meeting;

"Resolution" means a resolution contained in this Notice; and

"Shares" means fully paid ordinary shares in the capital of the Company.

By order of the Board

Gillian Swaby
Company Secretary

Dated: 28 May 2009

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

Voting by a Corporation

A shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed unless previously given to the Company's Share Registry.

Voting by proxy

- A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise half of the votes.
- A proxy need not be a shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the Resolutions proposed in this Notice.

- To be effective, proxies must be lodged by 10.00am (Perth time) on 4 July 2009. Proxies lodged after this time will be invalid.

- Proxies may be lodged using any of the following methods:

- by returning a completed proxy form in person or by post to:

Platinum Australia Limited
3rd Floor, 18 Richardson Street
WEST PERTH WA 6005
(PO Box 1083
WEST PERTH WA 6872)

OR

Computershare Investor Services Pty Ltd
GPO Box D182
PERTH WA 6840]

- by faxing a completed proxy form to:

Platinum Australia Limited
Fax: +61 8 9226 4259

OR

Computershare Investor Services Pty Ltd
Fax: +61 8 9323 2033

The proxy form must be signed by the shareholder or the shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10.00am (Perth time) on 4 July 2009. If facsimile transmission is used, the power of attorney must be certified.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5.00pm (Perth time) on 4 July 2009.

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 General Meeting of Platinum Australia Limited (the "**Company**").

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

RESOLUTION 1 – RATIFICATION OF ISSUE OF 565,000 OPTIONS

On 28 July 2008, the Company announced that it had issued 565,000 Options to various employees of the Company, as employee incentive Options.

The Options the subject of Resolution 1 were issued under the Company's employee share option plan and comprise various categories of Options, all with an expiry date of 31 July 2012 and having an exercise price of either \$2.11, \$2.35 or \$2.41. Each category of Options is also subject to vesting conditions and will vest on the occurrence of certain milestones. The categories of Options the subject of Resolution 1 are set out in the table at Schedule 1 to this Explanatory Memorandum.

The full terms of the Options the subject of Resolution 1 are set out in Annexure A to this Explanatory Memorandum.

Resolution 1 proposes the ratification of the issue of the abovementioned Options pursuant to Listing Rule 7.4.

In summary, Listing Rule 7.4 allows a company to seek subsequent approval from shareholders of an issue of securities so that the issue of securities does not count towards the 15% limit on issues without shareholder approval contained in Listing Rule 7.1. Listing Rule 7.1 provides that a company may only issue up to 15% of its capital in any 12 month period without first obtaining the approval of shareholders by ordinary resolution.

Pursuant to Resolution 1, the Directors are seeking ratification under Listing Rule 7.4 of

the issue of 565,000 Options that was made on or about 28 July 2008 in order to restore the right of the Company to issue further securities within the 15% limit during the next 12 months.

The following information in relation to the Options is provided to shareholders for the purposes of Listing Rule 7.5:

- (a) 565,000 Options were issued;
- (b) the Options were issued for no consideration;
- (c) the terms of the Options are set out in Annexure A to the Explanatory Memorandum;
- (d) the Options were issued to various employees of the Company. The employees are all unrelated parties of the Company; and
- (e) no funds were raised from the issue of the Options.

RESOLUTION 2 – RATIFICATION OF ISSUE OF 27,000,000 SHARES

On 2 February 2009, the Company announced that it had completed a private placement of 27,000,000 Shares at an issue price of \$0.54 each to raise \$14,600,000. The placement was managed by Bell Potter Securities Limited.

Proceeds from the placement have been used to fund the Smokey Hills Project and for general working capital.

As noted above, Listing Rule 7.4 allows a company to seek subsequent approval from shareholders of an issue of securities so that the issue of securities does not count towards the 15% limit on issues without shareholder approval contained in Listing Rule 7.1. Listing

Rule 7.1 provides that a company may only issue up to 15% of its capital in any 12 month period without first obtaining the approval of shareholders by ordinary resolution.

Pursuant to Resolution 2, the Directors are seeking ratification under Listing Rule 7.4 of the issue of 27,000,000 Shares that was made on or about 9 February 2009 in order to restore the right of the Company to issue further securities within the 15% limit during the next 12 months.

The following information in relation to the Shares is provided to shareholders for the purposes of Listing Rule 7.5:

- (a) 27,000,000 Shares were allotted and issued;
- (b) the Shares were issued at an issue price of \$0.54 each;
- (c) the Shares issued are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- (d) the Shares were issued to Australian and international institutional, professional and sophisticated investor clients of Bell Potter Securities Limited, all of whom are unrelated parties of the Company; and
- (e) funds raised from the issue have been used to fund the Smokey Hills Project and for general working capital.

BACKGROUND TO RESOLUTIONS 3 AND 4

On 28 May 2009, the Company announced that it had undertaken a private placement of 60,000,000 Shares at an issue price of \$1.02 each ("**Placement Shares**") to raise a total of \$61,200,000.

The Company has capacity under Listing Rule 7.1 to issue the Shares the subject of Resolution 3 without the need for shareholder approval but the balance of the Placement Shares requires shareholder approval in order to be issued. As at the date of this Notice, the Shares the subject of Resolution 3 are yet to be issued however, they will be issued by the time the Meeting is held. Accordingly, Resolution 3 seeks shareholder ratification for the issue of part of the Placement Shares, being 5,332,827 Shares, to Australian and international institutional, professional and sophisticated investor clients of Bell Potter Securities Limited anticipated to be on or about 4 June 2009 ("**Tranche 1**") in order to restore

the right of the Company to issue further securities within the 15% limit during the next 12 months. Resolution 4 seeks shareholder approval for a further placement of up to 54,667,173 Shares ("**Tranche 2**") (being the balance of the Placement Shares that the Company was unable to issue due the Company reaching its 15% threshold under Listing Rule 7.1) to Australian and international institutional, professional and sophisticated investor clients of Bell Potter Securities Limited.

RESOLUTION 3 – RATIFICATION OF ISSUE OF 5,332,827 SHARES (TRANCHE 1)

Resolution 3 seeks shareholder ratification for the issue of Tranche 1, that is, to the issue of a maximum of 5,332,827 Shares at an issue price of \$1.02 each to Australian and international institutional, professional and sophisticated investor clients of Bell Potter Securities Limited. As at the date of this Notice, the Shares have not yet been issued however they will have been issued by the time of the Meeting.

As noted above, Listing Rule 7.4 allows a company to seek subsequent approval from shareholders of an issue of securities so that the issue of securities does not count towards the 15% limit on issues without shareholder approval contained in Listing Rule 7.1. Listing Rule 7.1 provides that a company may only issue up to 15% of its capital in any 12 month period without first obtaining the approval of shareholders by ordinary resolution.

Pursuant to Resolution 3, the Directors are seeking ratification under Listing Rule 7.4 of the issue of 5,332,827 Shares the subject of Tranche 1 in order to restore the right of the Company to issue further securities within the 15% limit during the next 12 months.

The following information in relation to the Shares the subject of Tranche 1 is provided to shareholders for the purposes of Listing Rule 7.5:

- (a) 5,332,827 Shares will have been allotted and issued;
- (b) the Shares will have been issued at an issue price of \$1.02 each;
- (c) the Shares that will have been issued are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;

- (d) the Shares will have been issued to Australian and international institutional, professional and sophisticated investor clients of Bell Potter Securities Limited, all of whom are unrelated parties of the Company; and
- (e) funds raised from the issue will be used towards retiring the Company's debt associated with the development of the Smokey Hills project, crystallising the value in the Smokey Hills hedgebrook, developing existing projects, acquisition and evaluation of new projects and for general working capital.

- None of the allottees will be related parties of the Company.
- (f) the Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue; and
- (g) funds raised from the issue will be used towards retiring the Company's debt associated with the development of the Smokey Hills project, crystallising the value in the Smokey Hills hedgebrook, developing existing projects, acquisition and evaluation of new projects and for general working capital.

RESOLUTION 4 – APPROVAL OF ISSUE OF 54,667,173 SHARES (TRANCHE 2)

Resolution 4 seeks shareholder approval of Tranche 2, that is, to the issue of a maximum of 54,667,173 Shares at an issue price of \$1.02 each to Australian and international institutional, professional and sophisticated investor clients of Bell Potter Securities Limited, pursuant to Listing Rule 7.1.

Listing Rule 7.1 requires shareholder approval to the proposed issue of securities in the Company. Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

The following information in relation to the Shares the subject of Tranche 2 to be issued is provided to shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Shares the Company can issue is 54,667,173;
- (b) the Company will allot and issue the Shares no later than 3 months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (c) the Shares will be allotted and issued on one date;
- (d) the Shares will be issued at an issue price of \$1.02 each;
- (e) the Shares will be issued and allotted to applicants to be determined by the Directors. The allottees will be Australian and international institutional, professional and sophisticated investor clients of Bell Potter Securities Limited.

GLOSSARY

"ASX" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

"Board" means the board of Directors of the Company.

"Company" means Platinum Australia Limited ACN 093 417 942.

"Constitution" means the constitution of the Company as amended from time to time.

"Corporations Act" means the *Corporations Act 2001* (Cth).

"Director" means a director of the Company.

"Listing Rules" means the Listing Rules of the ASX.

"Meeting" or "General Meeting" means the general meeting the subject of the Notice.

"Notice" means the notice of general meeting which accompanies this Explanatory Memorandum.

"Option" means an option to acquire a Share.

"Resolution" means a resolution proposed pursuant to the Notice.

"Share" means a fully paid ordinary share in the capital of the Company.

SCHEDULE 1

Categories of Options the Subject of Resolution 1

Category	Total Number	Exercise Price	Milestones	
			Event	Number
A	150,000	\$2.11	Completion of Kalplats BFS Study with a positive outcome	30,000
			Smokey Hills plant completion per Standard Bank definition	30,000
			Completion of first full (financial) year of production at Smokey Hills	30,000
			Achievement of design production and recovery over a twelve month period at Smokey Hills	30,000
			Commencement of production at Kalplats	
B	100,000	\$2.41	First concentrate shipped from Smokey Hills Mine	20,000
			Plant completion per Standard Bank definition	20,000
			Achieving production of 60,000 tonnes per month of ore through the plant at design recovery	20,000
			Completion of first full (financial) year of production at Smokey Hills	20,000
			Achievement of design production and recovery over a twelve month period at Smokey Hills	20,000
C	100,000	\$2.11	First concentrate shipped from Smokey Hills Mine	20,000
			Plant completion per Standard Bank definition	20,000
			Achieving production of 60,000 tonnes per month of ore through the plant at design recovery	20,000
			Completion of first full (financial) year of production at Smokey Hills	20,000
			Achievement of design production and recovery over a twelve month period at Smokey Hills	20,000
D	40,000	\$2.35	First concentrate shipped from Smokey Hills Mine	10,000
			Completion of Open Pit Mining at Smokey Hills	10,000
			Completion of first full (financial) year of production at Smokey Hills	10,000
			Achievement of design production and recovery over a twelve month period at Smokey Hills	10,000
E	75,000	\$2.35	First concentrate shipped from Smokey Hills Mine	15,000
			Completion of Open Pit Mining at Smokey Hills	15,000
			Achieving production of 60,000 tonnes per month of ore from underground operations	15,000
			Completion of first full (financial) year of production at Smokey Hills	15,000

Category	Total Number	Exercise Price	Milestones	
			Event	Number
			Achievement of design production and recovery over a twelve month period at Smokey Hills	15,000
F	100,000	\$2.35	First concentrate shipped from Smokey Hills Mine	20,000
			Completion of Open Pit Mining at Smokey Hills	20,000
			Achieving production of 60,000 tonnes per month of ore from underground operations	20,000
			Completion of first full (financial) year of production at Smokey Hills	20,000
			Achievement of 720,000 tonnes over a 12 month period from underground at Smokey Hills	20,000
	565,000	TOTAL		

ANNEXURE A
Terms of Options

Category A Options

The key terms of the Options (which terms are governed by the Company's employee share option plan ("**Plan**")) are as follows:

1. No monies will be payable for the grant of Options;
2. A certificate will be issued for the Options;
3. The exercise price of the Options is \$2.11 per Option ("**Exercise Price**"). The Exercise Price of Shares the subject of the Options shall be payable in full on exercise of the Options.
4. The following number of Options will vest on satisfying the following milestones ("**Milestones**"): -

<i>Number of Options</i>	<i>Milestones</i>
30,000	Completion of Kalplats BFS Study with a positive outcome
30,000	Smokey Hills Plant completion per Standard Bank definition
30,000	Completion of first full (financial) year of production at Smokey Hills
30,000	Achievement of design production and recovery over a twelve month period at Smokey Hills
30,000	Commencement of production at Kalplats

The Options may not be exercised prior to the satisfaction of the relevant Milestone.

5. The Options will expire at 5.00pm WST on 31 July 2012 ("**Expiry Date**").
6. Each Option shall confer the right to subscribe for one fully paid ordinary share in the capital of the Company.
7. Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing fully paid ordinary shares in all respects.
8. Options may only be exercised by notice in writing to the Board delivered to the registered office of the Company. The notice must specify the number of Options being exercised and must be accompanied by:
 - (a) the Exercise Price for the number of Options specified in the notice; and
 - (b) the certificate for those Options, for cancellation by the Company.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (eg, if the Exercise Price is paid by cheque, by clearance of that cheque).

9. The Company shall allot the resultant Shares within 10 business days of the exercise of the Option.

10. The Options are not transferable.
11. The Company will not apply for Official Quotation of any Options.
12. 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 if the Company's Shares of the same class are listed on the ASX at the time of exercise.
13. In the event of any reorganisation (including consolidation, subdivisions, reduction or return) of the issued capital of the Company, the number of the Options or the exercise price of the Options or both shall be reorganised (as appropriate) in accordance with the Listing Rules.
14. Option holders may only participate in new issues of securities to holders of Shares if an Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice as required under the Listing Rules to Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.
15. The Options will lapse prior to the Expiry Date in accordance with the terms of the Plan in certain circumstances where the option holder ceases to be an Eligible Person as specified in the Plan.

Category B Options

The key terms of the Options (which terms are governed by the Plan) are as follows:

1. No monies will be payable for the grant of the Options;
2. A certificate will be issued for the Options;
3. The exercise price of the Options is \$2.41 per Option ("**Exercise Price**"). The Exercise Price of Shares the subject of the Options shall be payable in full on exercise of the Options.
4. The following number of Options will vest on satisfying the following milestones ("**Milestones**"):

<i>Number of Options</i>	<i>Milestones</i>
20,000	First concentrate shipped from Smokey Hills Mine
20,000	Plant completion per Standard Bank definition
20,000	Achieving production of 60,000 tonnes per month of ore through the plant at design recovery
20,000	Completion of first full (financial) year of production at Smokey Hills
20,000	Achievement of design production and recovery over a twelve month period at Smokey Hills

The Options may not be exercised prior to the satisfaction of the relevant Milestone.

5. The Options will expire at 5.00pm WST on 31 July 2012 ("**Expiry Date**").
6. Each Option shall confer the right to subscribe for one fully paid ordinary share in the capital of the Company.
7. Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing fully paid ordinary shares in all respects.
8. Options may only be exercised by notice in writing to the Board delivered to the registered office of the Company. The notice must specify the number of Options being exercised and must be accompanied by:
 - (a) the Exercise Price for the number of Options specified in the notice; and
 - (b) the certificate for those Options, for cancellation by the Company.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (eg, if the Exercise Price is paid by cheque, by clearance of that cheque).

9. The Company shall allot the resultant Shares within 10 business days of the exercise of the Option.
10. The Options are not transferable.
11. The Company will not apply for Official Quotation of any Options.

12. 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 if the Company's Shares of the same class are listed on the ASX at the time of exercise.
13. In the event of any reorganisation (including consolidation, subdivisions, reduction or return) of the issued capital of the Company, the number of the Options or the exercise price of the Options or both shall be reorganised (as appropriate) in accordance with the Listing Rules.
14. Option holders may only participate in new issues of securities to holders of Shares if an Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice as required under the Listing Rules to Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.
15. The Options will lapse prior to the Expiry Date in accordance with the terms of the Plan in certain circumstances where the option holder ceases to be an Eligible Person as specified in the Plan.

Category C Options

The key terms of the Options (which terms are governed by the Plan) are as follows:

1. No monies will be payable for the grant of the Options;
2. A certificate will be issued for the Options;
3. The exercise price of the Options is \$2.11 per Option ("**Exercise Price**"). The Exercise Price of Shares the subject of the Options shall be payable in full on exercise of the Options.
4. The following number of Options will vest on satisfying the following milestones ("**Milestones**"):

<i>Number of Options</i>	<i>Milestones</i>
20,000	First concentrate shipped from Smokey Hills Mine
20,000	Plant completion per Standard Bank definition
20,000	Achieving production of 60,000 tonnes per month of ore through the plant at design recovery
20,000	Completion of first full (financial) year of production at Smokey Hills
20,000	Achievement of design production and recovery over a twelve month period at Smokey Hills

The Options may not be exercised prior to the satisfaction of the relevant Milestone.

5. The Options will expire at 5.00pm WST on 31 July 2012 ("**Expiry Date**").
6. Each Option shall confer the right to subscribe for one fully paid ordinary share in the capital of the Company.
7. Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing fully paid ordinary shares in all respects.
8. Options may only be exercised by notice in writing to the Board delivered to the registered office of the Company. The notice must specify the number of Options being exercised and must be accompanied by:
 - (a) the Exercise Price for the number of Options specified in the notice; and
 - (b) the certificate for those Options, for cancellation by the Company.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (eg, if the Exercise Price is paid by cheque, by clearance of that cheque).
9. The Company shall allot the resultant Shares within 10 business days of the exercise of the Option.
10. The Options are not transferable.
11. The Company will not apply for Official Quotation of any Options.

12. 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 if the Company's Shares of the same class are listed on the ASX at the time of exercise.
13. In the event of any reorganisation (including consolidation, subdivisions, reduction or return) of the issued capital of the Company, the number of the Options or the exercise price of the Options or both shall be reorganised (as appropriate) in accordance with the Listing Rules.
14. Option holders may only participate in new issues of securities to holders of Shares if an Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice as required under the Listing Rules to Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.
15. The Options will lapse prior to the Expiry Date in accordance with the terms of the Plan in certain circumstances where the option holder ceases to be an Eligible Person as specified in the Plan.

Category D Options

The key terms of the Options (which terms are governed by the Plan) are as follows:

1. No monies will be payable for the grant of the Options;
2. A certificate will be issued for the Options;
3. The exercise price of the Options is \$2.35 per Option ("**Exercise Price**"). The Exercise Price of Shares the subject of the Options shall be payable in full on exercise of the Options.
4. The following number of Options will vest on satisfying the following milestones ("**Milestones**"): -

<i>Number of Options</i>	<i>Milestones</i>
10,000	First concentrate shipped from Smokey Hills Mine
10,000	Completion of Open Pit Mine at Smokey Hills
10,000	Completion of first full (financial) year of production at Smokey Hills
10,000	Achievement of design production and recovery over a twelve month period at Smokey Hills

The Options may not be exercised prior to the satisfaction of the relevant Milestone.

5. The Options will expire at 5.00pm WST on 31 July 2012 ("**Expiry Date**").
6. Each Option shall confer the right to subscribe for one fully paid ordinary share in the capital of the Company.
7. Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing fully paid ordinary shares in all respects.
8. Options may only be exercised by notice in writing to the Board delivered to the registered office of the Company. The notice must specify the number of Options being exercised and must be accompanied by:
 - (a) the Exercise Price for the number of Options specified in the notice; and
 - (b) the certificate for those Options, for cancellation by the Company.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (eg, if the Exercise Price is paid by cheque, by clearance of that cheque).

9. The Company shall allot the resultant Shares within 10 business days of the exercise of the Option.
10. The Options are not transferable.
11. The Company will not apply for Official Quotation of any Options.
12. 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 if the Company's Shares of the same class are listed on the ASX at the time of exercise.

13. In the event of any reorganisation (including consolidation, subdivisions, reduction or return) of the issued capital of the Company, the number of the Options or the exercise price of the Options or both shall be reorganised (as appropriate) in accordance with the Listing Rules.
14. Option holders may only participate in new issues of securities to holders of Shares if an Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice as required under the Listing Rules to Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.
15. The Options will lapse prior to the Expiry Date in accordance with the terms of the Plan in certain circumstances where the option holder ceases to be an Eligible Person as specified in the Plan.

Category E Options

The key terms of the Options (which terms are governed by the Plan) are as follows:

1. No monies will be payable for the grant of the Options;
2. A certificate will be issued for the Options;
3. The exercise price of the Options is \$2.35 per Option ("**Exercise Price**"). The Exercise Price of Shares the subject of the Options shall be payable in full on exercise of the Options.
4. The following number of Options will vest on satisfying the following milestones ("**Milestones**"):

<i>Number of Options</i>	<i>Milestones</i>
15,000	First concentrate shipped from Smokey Hills Mine
15,000	Completion of Open Pit Mine at Smokey Hills
15,000	Achieving production of 60,000 tonnes per month of ore from underground operations
15,000	Completion of first full (financial) year of production at Smokey Hills
15,000	Achievement of design production and recovery over a twelve month period at Smokey Hills

The Options may not be exercised prior to the satisfaction of the relevant Milestone.

5. The Options will expire at 5.00pm WST on 31 July 2012 ("**Expiry Date**").
6. Each Option shall confer the right to subscribe for one fully paid ordinary share in the capital of the Company.
7. Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing fully paid ordinary shares in all respects.
8. Options may only be exercised by notice in writing to the Board delivered to the registered office of the Company. The notice must specify the number of Options being exercised and must be accompanied by:
 - (a) the Exercise Price for the number of Options specified in the notice; and
 - (b) the certificate for those Options, for cancellation by the Company.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (eg, if the Exercise Price is paid by cheque, by clearance of that cheque).
9. The Company shall allot the resultant Shares within 10 business days of the exercise of the Option.
10. The Options are not transferable.
11. The Company will not apply for Official Quotation of any Options.

12. 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 if the Company's Shares of the same class are listed on the ASX at the time of exercise.
13. In the event of any reorganisation (including consolidation, subdivisions, reduction or return) of the issued capital of the Company, the number of the Options or the exercise price of the Options or both shall be reorganised (as appropriate) in accordance with the Listing Rules.
14. Option holders may only participate in new issues of securities to holders of Shares if an Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice as required under the Listing Rules to Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.
15. The Options will lapse prior to the Expiry Date in accordance with the terms of the Plan in certain circumstances where the option holder ceases to be an Eligible Person as specified in the Plan.

Category F Options

The key terms of the Options (which terms are governed by the Plan) are as follows:

1. No monies will be payable for the grant of the Options;
2. A certificate will be issued for the Options;
3. The exercise price of the Options is \$2.35 per Option ("**Exercise Price**"). The Exercise Price of Shares the subject of the Options shall be payable in full on exercise of the Options.
4. The following number of Options will vest on satisfying the following milestones ("**Milestones**"):-

<i>Number of Options</i>	<i>Milestones</i>
20,000	First concentrate shipped from Smokey Hills Mine
20,000	Completion of Open Pit Mine at Smokey Hills
20,000	Achieving production of 60,000 tonnes per month of ore from underground operations
20,000	Completion of first full (financial) year of production at Smokey Hills
20,000	Achievement of 720,000 over a twelve month period at Smokey Hills

The Options may not be exercised prior to the satisfaction of the relevant Milestone.

5. The Options will expire at 5.00pm WST on 31 July 2012 ("**Expiry Date**").
6. Each Option shall confer the right to subscribe for one fully paid ordinary share in the capital of the Company.
7. Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing fully paid ordinary shares in all respects.
8. Options may only be exercised by notice in writing to the Board delivered to the registered office of the Company. The notice must specify the number of Options being exercised and must be accompanied by:
 - (a) the Exercise Price for the number of Options specified in the notice; and
 - (b) the certificate for those Options, for cancellation by the Company.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (eg, if the Exercise Price is paid by cheque, by clearance of that cheque).
9. The Company shall allot the resultant Shares within 10 business days of the exercise of the Option.
10. The Options are not transferable.
11. The Company will not apply for Official Quotation of any Options.

12. 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 if the Company's Shares of the same class are listed on the ASX at the time of exercise.
13. In the event of any reorganisation (including consolidation, subdivisions, reduction or return) of the issued capital of the Company, the number of the Options or the exercise price of the Options or both shall be reorganised (as appropriate) in accordance with the Listing Rules.
14. Option holders may only participate in new issues of securities to holders of Shares if an Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice as required under the Listing Rules to Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.
15. The Options will lapse prior to the Expiry Date in accordance with the terms of the Plan in certain circumstances where the option holder ceases to be an Eligible Person as specified in the Plan.

