



NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

AND

EXPLANATORY MEMORANDUM

Date of Meeting

13 November 2007

Time of Meeting

11.00am

Place of Meeting

The Royal Perth Yacht Club
Australia II Drive
Crawley, Western Australia

Level 3, 18 Richardson Street
West Perth WA 6005
Phone: (08) 9324 1491
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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 The Royal Perth Yacht Club, Australia II Drive, Crawley, Western Australia on Tuesday, 13 November 2007 at 11.00am 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 2007 in accordance with the Corporations Act 2001.

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 2007 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. Election of Mr Carel Van Heerden

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

“That Mr Carel Van Heerden, having been appointed to fill a casual vacancy, be elected as a Director.”

Resolution 3. Re-election of Mr Michael Gerrard Blakiston

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

“That Mr Michael Gerrard Blakiston, 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 4. Re-election of Mr William Alexander Hansen

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

“That Mr William Alexander Hansen, 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 5. 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 Stock Exchange Ltd and for all other purposes, the Company ratifies the allotment and issue of 7,300,000 fully paid ordinary shares.”

For the purposes of Resolution 5:

- (1) The shares issued are fully paid ordinary shares which rank pari passu with existing shares.
- (2) The Company will disregard any votes cast on this Resolution 5 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 6. Variation to terms of Director Options held by Managing Director, Mr John Lewins

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

"That, pursuant to and in accordance with section 208 of the Corporations Act and for all other purposes, the Company approves and authorises the amendment to the terms of the Director Options granted to Mr John Lewins on 21 December 2006, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 6 by Mr John Lewins and any associates of Mr Lewins. However, the Company need not disregard a vote if:

- it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- it is not cast on behalf of Mr Lewins or an associate of Mr Lewins.

Refer to the Glossary set out in the accompanying Explanatory Memorandum for definitions used in the above Resolutions.

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: 26 September 2007

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 11 November 2007 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 2007.

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 2007 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.

RESOLUTIONS 2, 3 & 4. RE-ELECTION OF DIRECTORS

Mr Carel Van Heerden was appointed by the Board of Directors on 2 October 2007. In accordance with the constitution, he is required to seek election by shareholder at the first meeting of shareholders following his appointment.

Mr Van Heerden is a practicing advocate in Johannesburg, South Africa, specializing in mining, resource and commercial matters for more than 25 year. He is a director of a number

of exploration and related companies through which he has gained extensive experience in corporate management.

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 Michael Gerrard Blakiston and Mr William Alexander Hansen retire by rotation, and being eligible, offer themselves for re-election.

RESOLUTION 5. RATIFICATION OF SHARE ISSUE

The shares referred to in Resolution 5 were issued to institutional and sophisticated investors of Bell Potter Securities Limited on 6 July 2007.

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 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:

- (a) Resolution 4 has been included so that shareholders may approve and ratify pursuant to Listing Rule 7.4 the issue of a total of 7,300,000 Shares to those parties referred to above.
- (b) The Shares were issued at \$1.72 per Share.
- (c) The Shares issued rank pari passu with, and on the same terms as, the existing Shares on issue.
- (d) The funds raised by reason of the allotment were used as follows:
 - Standby Security Deposit of approximately \$4 million required as part of the financing for the Smokey Hills PGM Project;
 - Exploration on the Kalplats "Extended" Project which covers an area approximately 20 kilometres to the north and 18 kilometres to the south of the Kalahari Platinum Project ("Kalplats") area;
 - Work on other platinum projects; and
 - Working capital.

The Company wishes to ratify the issues 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. The terms of the Shares issued are the same as the existing ordinary shares on issue and, accordingly, rank equally in all respects with the existing ordinary shares on issue.

RESOLUTION 6. VARIATION TO TERMS OF OPTIONS HELD BY MANAGING DIRECTOR, MR JOHN LEWINS

On 30 November 2006, Shareholders approved the grant of the Director Options with an exercise price of \$1.25 and an expiry date being five years from the date of grant to Mr John Lewins, who is the Managing Director, on the terms set out in Annexure A. The Director Options were issued by the Company to Mr Lewins on 21 December 2006.

These Director Options are subject to the following conditions of exercise:

- (a) 500,000 of the Director Options at the time the Company completes a bankable feasibility study on the Kalplats project and the high grade (+2.5g/t) resource reaches a minimum of 2.5 million ounces of platinum group metals ("**Milestone 1**");
- (b) 500,000 of the Director Options at the time construction of the Kalplats project commences ("**Milestone 2**");
- (c) 1,000,000 of the Director Options at the time the first commercial concentrate is shipped from Kalplats project or the Company sells all of its interest in the Kalplats project ("**Milestone 3**");
- (d) 500,000 of the Director Options at the time when the Company identifies or acquires a further 1 million ounces of platinum group metals outside of Smokey Hills and Kalplats project (or within an extended area of the Kalplats project or the Smokey Hills project or on another project or a combination of projects) ("**Milestone 4**"); and
- (e) 500,000 of the Director Options when the Company commences production from the Panton project or any other project which the company acquire ("**Milestone 5**").

Shareholder approval is now sought to amend the terms of the Director Options as marked-up in Annexure B. The effect of the amended terms is that the Director Options will be exercisable despite the above conditions of exercise as follows:

- (a) If a person makes a takeover bid (as defined in the Corporations Act) to acquire any Shares and irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid then Mr Lewins may exercise all Director Options issued to him even if Milestone 1, Milestone 2, Milestone 3, Milestone 4 or Milestone 5 have not been achieved by the Company.
- (b) Notwithstanding paragraph (a), if a person becomes entitled to proceed to compulsory acquisition of the Shares pursuant to Section 661A of the Corporations Act (or its successor) then the Director Options will expire 30 days (or such later date as the Company's board of directors determines in its sole discretion) after the person becomes so entitled.

- (c) In the circumstances referred to in paragraph (b), the Company must notify Mr Lewins of the expiry date for the Director Options as soon as possible after the Company becomes aware that the person has become entitled to proceed to compulsory acquisition and he is to have the opportunity to exercise the Director Options before they expire.

The Director Options form part of Mr Lewin's remuneration package. In the negotiation of Mr Lewin's employment agreement it was intended that the Director Options being granted subject to the approval of Shareholders at the 2006 Annual General Meeting would be subject to the similar general conditions as 2004 Options granted to Mr Lewins in December 2004 and that he would be given the opportunity to have the Director Options vest in the event of a takeover. As it has transpired the Director Options were not granted on the similar general conditions due to inadvertence in that the 3 conditions referred to above were omitted. Accordingly, the Company is now seeking Shareholder approval to amend the terms of the Director Options in accordance with the marked-up amendments in Annexure B.

Related Party Transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

The giving of a financial benefit includes the issue of securities to a related party.

In accordance with section 219 of the Corporations Act, the following information is provided to Shareholders:

- (a) The related parties to whom the proposed resolution would permit the financial benefit to be given are as follows:

Mr Lewins, being the Managing Director of the Company, is a related party of the Company to whom the financial benefit will be given.

- (b) The nature of the financial benefit proposed to be given:

The nature of the financial benefit proposed to be given under Resolution 6 is the amendment to the terms of the Director Options held by Mr Lewins, which would permit the Director Options to be exercised before the conditions of exercise have been satisfied if a takeover bid is made in relation to the Company's Shares as described in paragraph (a) above.

The Board has renegotiated the employment contract with Mr Lewins and it was their intention to provide the Director Options on the same general terms as the 2004 Options granted to Mr Lewins in December 2004. The fact that the 3 conditions referred to in Resolution 6 were omitted through inadvertence should not result in Mr Lewins being issued Director Options which are not on the same general terms as that previously

granted to him. To the extent the conditions do provide some benefit to Mr Lewins in certain circumstances, this was always the intention of the Board (excluding Mr Lewins). It is difficult to put any numeric value on the benefit, rather it is merely an enhancement of what the Company has already granted to Mr Lewins.

(c) Directors' recommendation:

All Directors were available to consider Resolution 6.

Messrs Peter Allchurch, William Hansen, Michael Blakiston and Eric Hughes (who do not have any interest in Resolution 6) recommend that Shareholders approve the amendment to the terms of the Director Options because it was always their intention that the general terms of the Director Options would be the same as for the 2004 Options. Mr Lewins declined to make a recommendation to Shareholders in respect of Resolution 6 as he has a material personal interest in the outcome of Resolution 6 by virtue of the proposed amendment to the terms of these Director Options.

(d) Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers.

- (i) The Director Options were valued applying the Black and Scholes option pricing model (the "**B&S Model**") in the 2006 AGM Meeting Materials as set out below. The Directors believe that it would not be appropriate to undertake a further valuation of the Director Options based on an updated Share price given that the Director Options have already been issued given and that the proposed amended terms of the Director Options do not confer any additional benefit capable of being valued by the B&S Model.

The B&S Model is based on a number of assumptions, including an assumption that the Director Options being valued are American call options, in that they can be exercised at any time on or before the expiry date (subject to any vesting conditions). In addition, the B&S Model assumes that there is a liquid market for the Director Options. Because the B&S Model assumes a liquid market, the amount calculated by the B&S Model represents a maximum theoretical value. In assessing the indicative fair value of the Director Options, no discount factors were applied to take into account that the Director Options are unlisted.

As set out in the 2006 AGM Meeting Materials, the values for the Director Options have been calculated using the B&S Model based on the following assumptions and variables:

Assumptions

- that the Director Options are American call options (i.e. they can be exercised at any time during the period);
- there are no transaction costs, options and Shares are infinitely divisible, and information is available to all without cost;
- short selling is allowed without restriction or penalty;
- the risk free interest rate is known and constant throughout the duration of the Director Option contract;
- the underlying Shares do not currently pay a dividend; and

- Share prices behave in a manner consistent with a random walk in continuous time.

Variables

- Share price of \$1.08 (based on the Company's closing Share price on 13 October 2006);
- a risk free interest rate of 5.75 based on the Reserve Bank of Australia's cash rate in October 2006;
- expiry date of 5 years from the date of grant; and
- exercise price of \$1.25.

Volatility Factor	Director Options
40%	\$0.2759
60%	\$0.3745
80%	\$0.4599

As set out in the 2006 AGM Meeting Material, the Company believes that a volatility factor of 60% based on the Company's historical volatility is the most appropriate indicator of future price volatility. In addition the Company calculated the Director Option value using a volatility of 40% and 80% as a measure of the sensitivity to changes in volatility as set out above.

Applying a mileage volatility factor of 60% and applying a discount factor of \$0.35 on account of the Director Options being unlisted, the indicative value of the Director Options, as set out in the 2006 AGM Meeting Materials, is as follows:

	Director Options
Value per Director Option	\$0.3745
Number of Director Options	3,000,000
Value of Director Options	\$1,123,500

- (ii) The Director Options are not quoted on ASX and as such have no actual market value.
- (iii) As at the date of this Notice, the total issued capital of the Company comprises of 207,520,521 Shares and 11,510,000 unlisted options (including the Director Options).
- (iv) If any Director Options are exercised, the effect would be to dilute the shareholdings of existing Shareholders. Assuming all Director Options are exercised and the existing options remain unexercised, the total dilution caused by the exercise of the Director Options would be approximately 1.60%. The market price of the Shares during the term of an option will normally determine whether or not the option holder exercises the option. At the time any Director Options are exercised and Shares issued pursuant to the exercise of the Director Options, Shares may be trading on the ASX at a price which is higher than the exercise price of the Director Options.

- (v) As at the date of this Notice, Mr Lewins and his associates have relevant interests in the securities of the Company as follows:

Shares held directly	Shares held indirectly	Options held directly	Options held indirectly
2,000 ⁽¹⁾	1,230,000 ⁽²⁾	2,500,000 ⁽³⁾	1,350,000 ⁽⁴⁾
			3,000,000 ⁽⁵⁾

Notes:

- (1) *These Shares are held in the name of Mr Lewins on behalf of his sons Aidan and Jason Lewins.*
 - (2) *All of these Shares are held in the name of Mr Lewins' spouse.*
 - (3) *These options are exercisable at 20 cents and expire on 11 December 2009.*
 - (4) *All of these options are held in the name of Mr Lewins' spouse. They are exercisable at 35 cents and expire on 10 December 2009.*
 - (5) *These options are held by in the names of Mr Lewins and his spouse as trustees for the ANJEL Superannuation Fund. They are exercisable at \$1.25 each and expire on 21 December 2011.*
- (vi) The following table gives details of the highest, lowest and latest price of the Company's Shares trading on the ASX over the past 12 months ending on 25 September 2007:

Highest Price	Date of Highest Price	Lowest Price	Date of Lowest Price	Last Price on 25 September 2007
\$2.28	16 July 2007	\$0.825	5 October 2006	\$1.80

- (vii) As set out in the 2006 AGM Meeting Materials, Mr Lewins is entitled to a salary of \$24,806 per month together with statutory superannuation contributions payable by the Company for acting as the Managing Director. The base salary (excluding superannuation) and the total financial benefits to be received by Mr Lewins in this current period, including the value of the Director Options, is set out below:

Director	Base salary p.a. plus Superannuation	Value of Options*	Total Financial Benefit
John Lewins	\$295,639	\$1,123,500	\$1,419,139

**Based on the preferred value of the Director Options calculated in paragraph (d)(i) of resolution 4 of the 2006 AGM Meeting Materials.*

- (viii) The Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in amending the Director Options on the terms set out in Annexure B.

- (ix) The Company's adoption of Australian equivalents to International Financial Reporting Standards for reporting periods commencing from 1 July 2005 means that, under AASB2 Share-based Payment, equity-based compensation will be recognised as an expense in respect of the services received.
- (x) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolution 6.

GLOSSARY

"2006 AGM Meeting Materials" means the Notice of Meeting for the Company's Annual General Meeting held on 30 November 2006 and the accompanying Explanatory Memorandum;

"ASX" means ASX Limited ACN 008 624 691 (formerly Australian Stock Exchange Limited and now operating under the name, Australian Securities Exchange);

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

"Corporations Act" means Corporations Act 2001 (Cth);

"Director" means a director of the Company;

"Director Options" means 3,000,000 options to subscribe for Shares, exercisable at \$1.25 per Share and otherwise on the terms and conditions set out in Annexure A;

"Listing Rules" means the Listing Rules of ASX;

"Notice" means the Notice of Meeting accompanying this Explanatory Memorandum;

"2004 Options" means 2,500,000 options to subscribe for Shares, exercisable at 20 cents and granted on 10 December 2004;

"Shareholders" means the holders of Shares; and

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

ANNEXURE A

Terms of Options granted to Mr John Lewins, approved by Shareholders on 30 November 2006.

- 1.1 No monies will be payable for the issue of the Options.
- 1.2 A certificate will be issued for the Options.
- 1.3 The Options shall expire 5 years after the date on which they are granted.
- 1.4 The Option may only be exercised as follows:-
 - (a) 500,000 Options at the time the Company completes a bankable feasibility study on the Kalplats project and the high grade (+2.5g/t) resource reaches a minimum of 2.5 million ounces of platinum group metals;
 - (b) an additional 500,000 Options at the time construction of the Kalplats project commences;
 - (c) an additional 1,000,000 Options at the time the first commercial concentrate is shipped from Kalplats project or the Company sells its interest in the Kalplats project;
 - (d) an additional 500,000 Options at the time when the Company identifies or acquires a further 1 million ounces of platinum group metals outside of Smokey Hills and Kalplats project (or within an extended area of the Kalplats project or the Smokey Hills project or on another project or a combination of projects); and
 - (e) an additional 500,000 Options when the Company commenced production from the Panton project or any other project which the Company may acquire.
- 1.5 Each Option shall carry the right in favour of an Option holder to subscribe for one Share.
- 1.6 Options may be exercised in whole or in part. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by him.
- 1.7 The issue price of Shares the subject of the Options of \$1.25 per Share shall be payable in full on exercise of the Options.
- 1.8 Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by him accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares.
- 1.9 The Company shall allot the resultant Shares and cause the holding sheet to be delivered within five (5) business days of the exercise of the Option.
- 1.10 Options shall not be listed for Official Quotation on Australian Stock Exchange.

- 1.11 An Option holder may not, except with the approval of the Board of Directors (in its sole and absolute discretion), sell, transfer, assign, give or otherwise dispose of, in equity or in law, the benefit of the Options. The approval of the Board of Directors may be given subject to satisfaction of certain conditions in which event such approval will be deemed not to occur until any such conditions have been satisfied.
- 1.12 Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- 1.13 The Company shall, in accordance with Listing Rule 2.8, make application to have Shares allotted pursuant to an exercise of Options listed for Official Quotation.
- 1.14 If the Options are exercised before the record date of an entitlement, the Option holder can participate in a pro rata issue to the holders of the underlying securities in the Company. The Company must notify the Option holder of the proposed issue at least nine (9) business days before the record date. Option holders do not have a right to participate in new issues without exercising their options in accordance with Listing Rule 6.19.
- 1.15 In the event of any reorganisation of capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the listing rules applying to a re-organisation of capital at the time of the re-organisation in accordance with the Listing Rules.
- 1.16 The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.
- 1.17 In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced according to the following formula:

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

O' = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of underlying securities in the Company into which one option is exercisable.

P = the average market price per security (weighted by reference to volume) of the underlying securities in the Company during the five (5) trading days ending on the day before the ex rights date or ex entitlements date.

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

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).

N = the number of securities with rights or entitlements that must be held to receive a right to one new security in the Company.

- 1.18 The number of Shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of Options. The effect will be that upon exercise of the Options the number of Shares received by the Option holder will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price of the Options shall not change as result of any such bonus issue.
- 1.19 The Company shall notify each Option holder and the Australian Stock Exchange Limited within one (1) month after the record date for a pro-rata bonus or cash issue of the adjustment to the number of Shares over which the Option exists and/or the adjustment to the exercise price.

ANNEXURE B

Proposed varied Terms of Options granted to Mr John Lewins

1. No monies will be payable for the issue of the Options.
2. A certificate will be issued for the Options.
3. The Options shall expire 5 years after the date on which they are granted.
4. The Option may only be exercised as follows:-
 - (a) 500,000 Options at the time the Company completes a bankable feasibility study on the Kalplats project and the high grade (+2.5g/t) resource reaches a minimum of 2.5 million ounces of platinum group metals ("**Milestone 1**");
 - (b) an additional 500,000 Options at the time construction of the Kalplats project commences ("**Milestone 2**");
 - (c) an additional 1,000,000 Options at the time the first commercial concentrate is shipped from Kalplats project or the Company sells its interest in the Kalplats project ("**Milestone 3**");
 - (d) an additional 500,000 Options at the time when the Company identifies or acquires a further 1 million ounces of platinum group metals outside of Smokey Hills and Kalplats project (or within an extended area of the Kalplats project or the Smokey Hills project or on another project or a combination of projects) ("**Milestone 4**"); and
 - (e) an additional 500,000 Options when the Company commenced production from the Panton project or any other project which the Company may acquire ("**Milestone 5**").
5. Each Option shall carry the right in favour of an Option holder to subscribe for one fully paid ordinary share in the capital of the Company ("**Share**").
6. Options may be exercised in whole or in part. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by him.
7. The issue price of Shares the subject of the Options of \$1.25 per Share shall be payable in full on exercise of the Options.
8. Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by him accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares.
9. The Company shall allot the resultant Shares and cause the holding statement to be delivered within five (5) business days of the exercise of the Option.

10. Options shall not be listed for Official Quotation on Australian Securities Exchange.
11. An Option holder may not, except with the approval of the Board of Directors (in its sole and absolute discretion), sell, transfer, assign, give or otherwise dispose of, in equity or in law, the benefit of the Options. The approval of the Board of Directors may be given subject to satisfaction of certain conditions in which event such approval will be deemed not to occur until any such conditions have been satisfied.
12. Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
13. The Company shall, in accordance with Listing Rule 2.8, make application to have Shares allotted pursuant to an exercise of Options listed for Official Quotation.
14. If the Options are exercised before the record date of an entitlement, the Option holder can participate in a pro rata issue to the holders of the underlying securities in the Company. The Company must notify the Option holder of the proposed issue at least nine (9) business days before the record date. Option holders do not have a right to participate in new issues without exercising their options in accordance with Listing Rule 6.19.
15. In the event of any reorganisation of capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the listing rules applying to a re-organisation of capital at the time of the re-organisation in accordance with the Listing Rules.
16. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.
17. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced according to the following formula:

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

O' = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of underlying securities in the Company into which one option is exercisable.

P = the average market price per security (weighted by reference to volume) of the underlying securities in the Company during the five (5) trading days ending on the day before the ex rights date or ex entitlements date.

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

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).

- N = the number of securities with rights or entitlements that must be held to receive a right to one new security in the Company.
18. The number of Shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of Options. The effect will be that upon exercise of the Options the number of Shares received by the Option holder will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price of the Options shall not change as result of any such bonus issue.
19. The Company shall notify each Option holder and the Australian Securities Exchange Limited within one (1) month after the record date for a pro-rata bonus or cash issue of the adjustment to the number of Shares over which the Option exists and/or the adjustment to the exercise price.
- 20.
- (a) If a person makes a takeover bid (as defined in the Corporations Act 2001 (Cth)) to acquire any Shares irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid then the Employee may exercise all Options issued to him even if Milestone 1, Milestone 2, Milestone 3, Milestone 4 or Milestone 5 have not been achieved by the Company.
- (b) Notwithstanding clause 20(a), if a person becomes entitled to proceed to compulsory acquisition of the Shares pursuant to Section 661A of the Corporations Act 2001 (Cth) (or its successor) then the Options will expire 30 days (or such later date as the Board determines in its sole discretion) after the person becomes so entitled.
- (c) If clause 20(b) applies, in such event the circumstances referred to in clause 20(b), the Company shall notify (in writing) given written notice the Employee of the expiry date for the Options as soon as possible after the Company becomes aware that the person has become entitled to proceed to compulsory acquisition and the Option holder may exercise the Options prior to their expiry.

TO LODGE A PROXY FORM:
Platinum Australia Limited
PO Box 1083 West Perth
Western Australia 6872 Australia
Facsimile 61 8 9226 4259

Computershare Investor Services Pty Limited
GPO Box D182 Perth
Western Australia 6840 Australia
Facsimile 61 8 9323 2033

FOR ALL ENQUIRIES CALL:
(within Australia) 1300 557 010
(outside Australia) 61 3 9415 4000

000001 000 PLA
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



 **FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECEIVED BY 11:00AM (WST) ON SUNDAY 11 NOVEMBER 2007**



YOUR ANNUAL REPORT IS AVAILABLE ONLINE, SIMPLY VISIT:
www.platinumaus.com.au

- Access your annual report
- Review and update your securityholding

YOUR SECURE ONLINE ACCESS INFORMATION

SRN/HIN: 11234567890

POST CODE: 3030

! FOR SECURITY REASONS IT IS
IMPORTANT THAT YOU KEEP
YOUR SRN/HIN CONFIDENTIAL.

HOW TO COMPLETE THIS PROXY FORM *Please read these notes prior to completion of the voting form.*

VOTES ON ITEMS OF BUSINESS

Voting 100% of your holding. You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Voting a portion of your holding. You may indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. The sum of the votes cast on each item or the percentages for and against an item must not exceed your voting entitlement or 100%.

A proxy need not be a securityholder of the Company.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the proportion or number of votes each proxy may exercise, otherwise each proxy may exercise half of the votes. Fractions of votes will be disregarded. A separate Proxy Form should be used for each proxy. You can obtain additional forms by telephoning the company's share registry or you may copy this form. If you lodge two proxies please lodge both forms together.

SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.


If a representative of a corporate securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained by telephoning the company's share registry or at www.computershare.com.

LODGEMENT OF A PROXY FORM. This Form (and any Power of Attorney under which it is signed) must be received at an address given above no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

STEP 1 APPOINT A PROXY TO VOTE ON YOUR BEHALF

I/We being a member/s of Platinum Australia Limited hereby appoint

the Chairman of the Meeting OR

 Please leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Platinum Australia Limited to be held at The Royal Perth Yacht Club, Australia II Drive, Crawley, Western Australia on Tuesday, 13 November 2007 at 11:00AM (WST) and at any adjournment of that meeting.

STEP 2 ITEMS OF BUSINESS

! PLEASE NOTE: If you mark the **Abstain** box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

	For	Against	Abstain
Item 1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Election of Mr Carel Van Heerden	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-Election of Mr Michael Gerrard Blakiston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Re-Election of Mr William Alexander Hansen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Variation to Terms of Director Options held by Managing Director, Mr John Lewins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN SIGNATURE OF SECURITYHOLDER(S) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary



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IND

000001 000 PLA
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of name and/or address. If your name and/or address is incorrect, please mark this box and make the correction on this form. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes. *Please note, you cannot change ownership of your securities using this form.*