



ANNUAL REPORT 2009

PLATINUM

AUSTRALIA

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PLA

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Corporate Information

Directors

Peter Donald Allchurch
Chairman

John Derek Lewins
Managing Director

Michael Gerrard Blakiston
Non-Executive Director

Eric Edward Hughes
Non-Executive Director

William Alexander Hansen
Non-Executive Director



Company Secretary

Gillian Swaby

Registered Office

3rd Floor, 18 Richardson Street
West Perth Western Australia 6005
Telephone: +61 8 9324 1491
Facsimile: +61 8 9226 4258
Email: pla@platinumaus.com
Website: www.platinumaus.com

Principal Place of Business

3rd Floor, 18 Richardson Street
West Perth Western Australia 6005

Share Registry

Computershare Investor Services
Pty Limited
Level 2, 45 St Georges Terrace
Perth Western Australia 6000
Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

Solicitors

Blakiston & Crabb
1202 Hay Street
West Perth Western Australia 6005

Auditors

HLB Mann Judd
(WA Partnership)
Chartered Accountants
15 Rheola Street
West Perth Western Australia 6005

South African Office

Northdowns, Block 3,
1st Floor, 17 Georgian Crescent
Bryanston East, Sandton, 2021
Telephone: +27 11 706 5333
Facsimile: +27 11 463 8998
Email: pla@platinumaus.com
Website: www.platinumaus.com

Stock Exchange Listings

Australian Securities Exchange (ASX) Code: PLA
Alternative Investment Market (AIM) Code: PLAA

UK Brokers

RBC Capital Markets
Thames Court
One Queenhithe
London EC4V 4DE
United Kingdom
Telephone: +44 0 20 7653 4000

Alternative Investment Market – Nominated Adviser

Ambrian Partners Limited
Old Change House
128 Queen Victoria Street
London EC4V 4BJ
United Kingdom

Chairman's Report



I am happy to report that our Smokey Hills platinum mine in South Africa is progressing well with plant commissioning essentially completed and production of PGM (platinum group metals) in concentrate increasing towards the planned level of 95,000 ounces of 4E (platinum plus palladium plus rhodium plus gold) PGM per annum.

In July the mine produced 5000 ounces of 4E PGM from underground development ore and some open pit ore. The planned full production level of 7900 ounces per month is anticipated to be reached in the first half of 2010.

In September the company closed out its Smokey Hills mine hedging program with a nominal gain of about A\$20 million. These funds together with the proceeds of a share placement and a A\$15 million credit facility, enabled the company to pay off its Smokey Hills project loan and thereby gain full access to the cash flow from the mine.

The Smokey Hills mine is located on the east limb of the Bushveld Complex and is based on a resource of one million ounces of UG2 Reef, at an average grade of 5.5g/t 4E PGM and a mine life of 8 years. The company is looking at several options to extend mine life.

Platinum Australia's second project is the Kalahari (Kalplats) Project, located some 300 kilometres west of Johannesburg. Resources at Kalplats are 6.4 million ounces of 3E (platinum plus palladium plus gold) PGM, including 3.3 million ounces of 3E PGM at an average grade of 3.14g/t 3E PGM, almost all of which is shallow enough to be mined in open pits.

A Preliminary Feasibility Study on the first four of the seven known deposits at Kalplats is due for completion shortly. Initial indications are that the capital cost for the development will be in the order of US\$100 million and operating costs will be approximately US\$400 per ounce of 3E PGM in concentrate, net of credits. The Final Feasibility Study, which is expected in early 2010, will complete the company's earning obligations to earn a 49% interest in the Kalplats project.

Kalplats has significant potential to increase PGM resources with all 7 drilled deposits open at depth and 4 other partly drilled prospects with similar mineralisation, yet to be drilled out.

The Kalplats project covers about 12 kilometres of strike of the PGM bearing Stellar Layered Intrusion, within the Kraipan Greenstone Belt. The company also holds exploration rights over an additional 64 kilometres of strike of the mostly sand covered Kraipan Greenstone belt and last year began exploration for Kalplats type PGM mineralisation in that area. We have had significant early success with the discovery of ore grade and thickness mineralisation in our first round of drilling, some 3 kilometres south of the southern-most deposit in the Kalplats project area. The new mineralisation was intersected in widely spaced reverse-circulation percussion holes over some two kilometres of strike. The best intersection was 6 metres averaging 3.19g/t 3E PGM.



Our third project is the Rooderand project on the west limb of the Bushveld Complex. Platinum Australia has entered into an agreement to acquire up to a 70% interest in the project, which has an inferred resource of 3 million ounces of 4E PGM in UG2 and Merensky Reefs, from surface to about 500 metres depth. Grades are attractive and the deposit appears to be mineable by a combination of open pit and underground methods. Completion of the acquisition is awaiting grant of a Prospecting Right.

In 2008 the global financial crisis caused a precipitous fall in PGM prices, with, for example, platinum falling from US\$2080 per ounce in July 2008 to a low of US\$780 in October 2008. Since December 2008 the price has recovered steadily, passing US\$1000 per ounce in February 2009 and reaching US\$1200 in August. Despite the market uncertainties arising from the global financial crisis, Platinum Australia is in a good position, with its low cost per ounce Smokey Hills mine approaching full production and minimal debt. Our project development pipeline includes the open-pit Kalplats and shallow underground Rooderand projects, both expected to be relatively low capital cost and low cost per ounce producers.

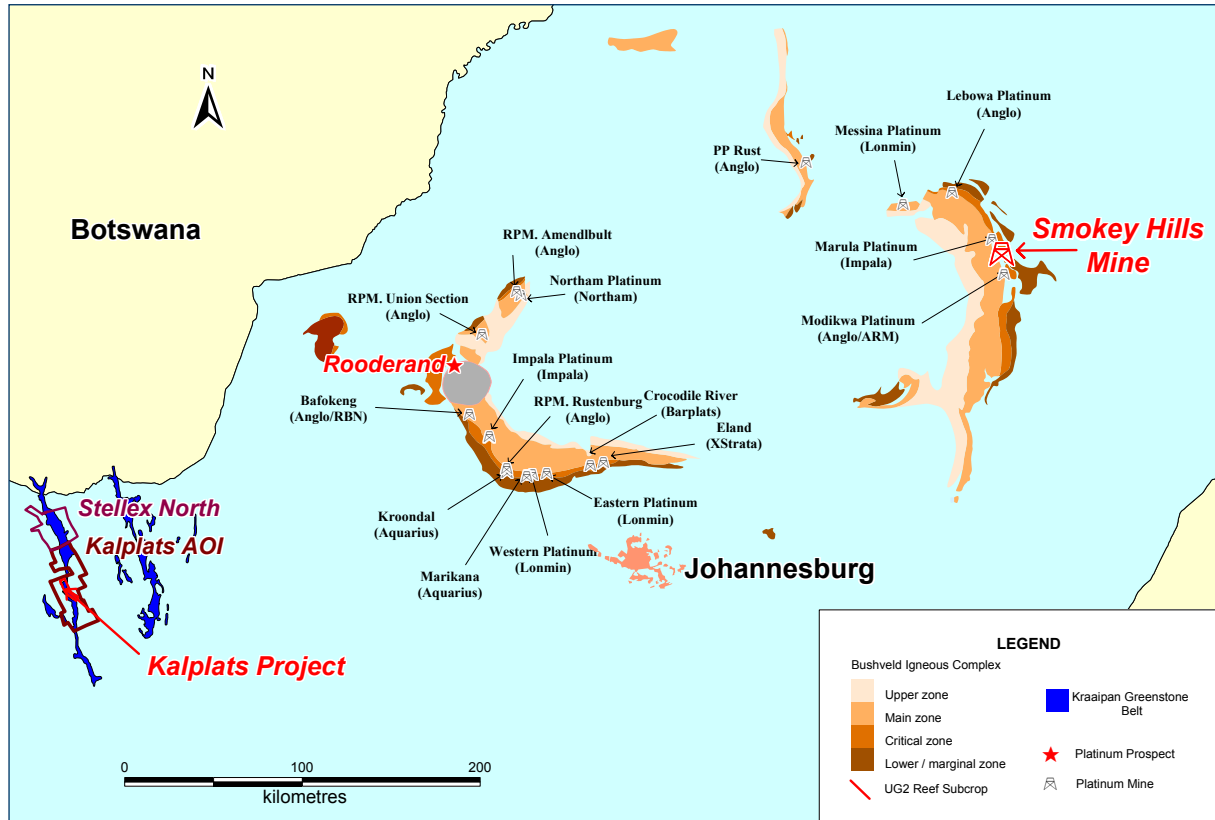
The Board of Directors believes that PGM's have a strong future in the world economy and the Company's strategy continues to be the acquisition and development of PGM projects with low capital and operating costs per ounce.

Finally I would like to thank our employees and Board of Directors and, in particular our Managing Director, John Lewins, for their outstanding work throughout what has been a remarkable year for world economies. I would also like to thank our loyal shareholders for their continuing support which is much appreciated.

PETER D ALLCHURCH

Chairman

Review of Company Activities



OVERVIEW

The past twelve months have seen the onset of a Global Financial Crisis which had an enormously negative impact on the World economy unparalleled in recent history. A very significant manifestation of this was the severe downward pressure on metal prices which saw platinum dropping from an average of US\$2,080 per oz on 1st July 2008 to under US\$800 per oz in December 2008. Similar drops were reported for palladium from US\$468 per oz to US\$167 per oz and in the case of Rhodium an even more precipitous drop from US\$9,725 per oz to US\$1,100 per oz in December.

Despite these very significant challenges, Platinum Australia has emerged with the **Smokey Hills Platinum Mine** fully constructed and commissioned and ramping up to full production of 95 – 100,000 ozs 4E per annum. This ramp up is coinciding with a recovery in the PGM prices, which are now on average more than 50% above the lows which were seen in December.

The Company has also reduced the debt associated with the development of the Smokey Hills Platinum Mine from approximately \$54 million to \$15 million and gained full access to the cash flows which will be generated by the Smokey Hills Platinum Mine in the coming year.

At the **Kalahari Platinum Project** we have completed the resource drilling program for the project and have upgraded the previous resource of 4.2 million oz 3E (platinum + palladium + gold) to 6.4 million oz 3E. The Company expects to shortly release the results of the Pre Feasibility Study ("PFS") which is based on the development of an open pit mine producing and processing 1.5 MTPA of ore to produce up to 130,000 ozs 3E per annum. Initial indications are that the project would have a capital cost in the order of US\$100 million to develop and an operating cost of approximately US\$400 per oz 3E in concentrate. A Definitive Feasibility Study is now under way and is expected to be completed in December 2009.



The Company has also recently announced the signing of an agreement to acquire up to a 70% interest in the **Rooderand Platinum Project** located on the western limb of the Bushveld Igneous Complex in South Africa. The project is at an advanced exploration stage and has a JORC compliant Inferred resource of 15 million tonnes at a grade of 6 g/t 4E containing 3 million oz 4E.

CORPORATE

The Company undertook a placement of 60 million new ordinary shares at \$1.02 to raise \$61.2 million in May 2009. The majority of the placement, amounting to 54.67 million shares, was subject to Shareholder approval which was granted on 6 July 2009 at a General Meeting. The placement of the first 30 million of these shares has settled and the Company has received \$30.6 million. The balance of 30 million shares was placed with a Chinese Company and at the time of writing, this group was still awaiting Chinese regulatory approval to enable them to settle.

The funds from the Placement are being used to retire the debt in regard to the construction of the Smokey Hills Platinum Mine, allowing the Company to crystallize the value in the Smokey Hills platinum and palladium hedge book; develop existing projects; fund acquisitions and development of new projects; and for general working capital.

In September 2009, the Company fully retired the project financing facility provided by Standard Bank of South Africa Limited for the development of the Smokey Hills Platinum Mine. This facility of approximately \$54 million was retired using a combination of the funds received from the placement, the funds received from crystallizing the hedge book and a \$15 million bridging facility from Macquarie Bank Limited.

It is anticipated that the MBL facility will in turn be retired from the balance of the proceeds from the placement.

Review of Company Activities

PLATINUM GROUP METALS

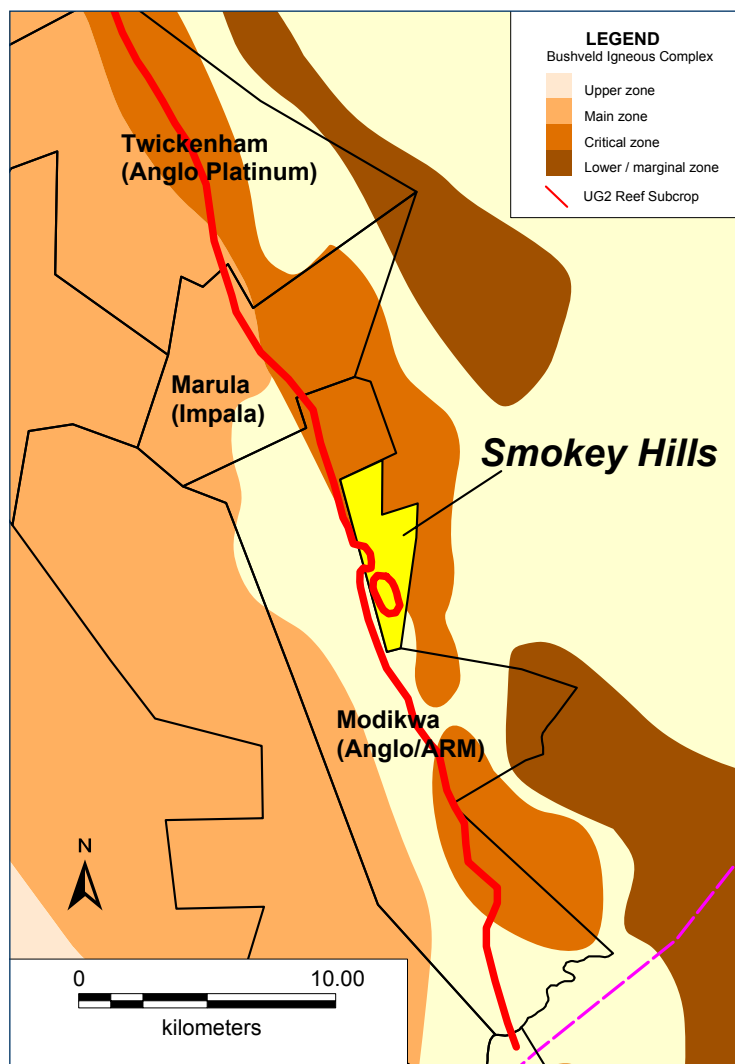
The focus for Platinum Australia in the last twelve months has been to complete the construction, commissioning and ramp up in production of the Smokey Hills Platinum Mine and complete the Pre Feasibility Study on the Kalahari Platinum ("Kalplats") Project in South Africa.

The Company has also sought to continue to build on the success of the Smokey Hills and Kalplats Projects and to identify and acquire new projects. It has recently announced the signing of an agreement to acquire a 70% interest in the Rooderand Platinum Project, also in South Africa.

SMOKEY HILLS PLATINUM MINE

Platinum Australia moving to 69.75%

The Smokey Hills Project is located on the eastern limb of the Bushveld Complex on the farm Maandagshoek 254 KT, Mineral Portion 4, which is in the Limpopo Province of South Africa, 300 kilometers (km) north-east of Johannesburg.



The Project consists of two adjacent hills rising some 400m above the adjacent 'Steelpoort Valley' floor and has some 6 km of mapped UG2 PGM reef outcropping around the margins of two hills. The Project has a measured and indicated mineral resource of 5.5 million tonnes at a grade of 5.6 g/t 4E PGM (platinum, palladium, rhodium and gold) containing 1 million ozs 4E PGM.

The Project is covered by a Mining Right in the name of PhokaThaba Platinum Pty Ltd ("PTP"), a joint venture company in which PLA is increasing to a 69.75% direct interest and a beneficial interest of approximately 85%. The balance is held by a consortium of Black Economic Empowerment ("BEE") Groups, including the Local Community with just over 9%.

PLA commenced construction of the mine, processing plant and related infrastructure in November 2007 following the issuing of the Mining Right. Commissioning of the crushing plant commenced in October 2008 and the full commissioning of



the processing plant commenced in January 2009. It is anticipated that ramp up to full production will take approximately twelve months. In the June 2009 Quarter the plant treated 146,443 tonnes equivalent to 80% of design throughput and some 6,706 ozs 4E were delivered to the Impala Refining Services Limited smelter.

The plant is treating a combination of oxidized ore from the open pit and fresh ore from underground during the majority of 2009 and is expected to treat only fresh ore from the underground operations from December 2009. The treatment of oxide ore does result in lower recoveries and therefore it is expected that the mine will achieve design production in December 2009.

The Smokey Hills Platinum Mine is designed to produce an average of 95,000 oz 4E PGM per annum at full production and will have one of the lowest operating costs in the industry.

Operations

Open pit mining commenced in January 2008 and is expected to be completed in the December Quarter 2009. Underground mine development commenced in September 2008 and is expected to reach full design production of 60,000 tonnes per month in December 2009. The underground mine is a relatively shallow operation with multiple on-reef adit access and production by means of conventional breast and up-dip stoping. Blasted stope ore will be scraped down to mucking bays in the reef drives and loaded by Load Haul Dump (LHD) machines into haul trucks for transport to the processing plant.

Review of Company Activities

Table 1 : Smokey Hills Ore Reserve Estimate (June 2006)

		Tonnes (M)	4E PGM (g/t)
Open Pit	Proved Reserves	0.22	6.99
	Probable Reserves	0.23	6.99
	Sub-total Open Pit	0.45	6.99
Underground	Proved Reserves	2.91	4.90
	Probable Reserves	1.27	4.90
	Sub-total Underground	4.19	4.90
Total	Proved Reserves	3.13	5.06
	Probable Reserves	1.51	5.23
	Total Smokey Hills	4.64	5.11

The processing plant commenced commissioning in January 2009 and moved to commercial production in March 2009. In the 4 months to June 2009 a total of 174,510 tonnes were treated and 7,589 ozs 4E were delivered to Impala Refining Services Limited under the life of mine offtake agreement. The plant averaged just over 80% of design throughput during the June 2009 Quarter.

At full production the Smokey Hills Platinum Mine will produce 95 – 100,000 ozs 4E a year from the mining and treatment of 720,000 tonnes per annum.





KALAHARI PGM PROJECT

Platinum Australia earning up to 49%

The Kalahari Platinum Project ("Kalplats") is located 350 km west of Johannesburg in the North West Province and approximately 25km north of the township Stella within a farming area with a population of approx. 2,500 inhabitants. The N18 national highway linking the towns of Mafikeng and Vryburg is located just south of the Project area. The topography is slightly undulating to flat-lying with the average surface elevation variable between 1,245m to 1,275m above mean sea level.



Platinum Australia Limited ("PLA") has a formal Joint Venture Agreement with African Rainbow Minerals Platinum (Proprietary) Ltd ("ARMplatinum") which provides for PLA to earn up to 49% of the Kalplats Project by completing a Bankable Feasibility Study ("BFS") on the project and making the Pantom Metallurgical Process available for the project at no cost.

During the year the Company completed the resource drilling program on the project, with almost 150,000 metres now drilled. The total resource for the project was increased from 4.2 million oz 3E in June 2008 to a current resource of 6.4 million oz 3E. A Pre Feasibility Study ("PFS") is expected to be completed shortly based on the development of an open pit mine producing and processing 1.5 MTPA of ore to produce up to 130,000 ozs 3E per annum. Initial indications are that the project would have a capital cost in the order of US\$100 million to develop and an operating cost of approximately US\$400 per oz 3E in concentrate. A Definitive Feasibility Study is now under way and is expected to be completed in December 2009.

Review of Company Activities

Geology and Mineralisation

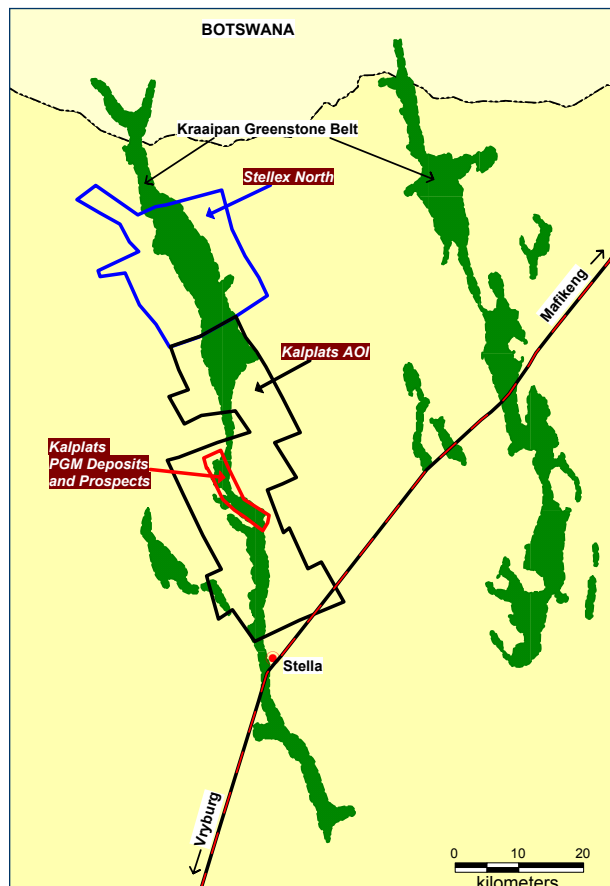
The Kalplats PGM mineralisation is located in the Stella greenstone belt, the western-most of three Archaean-age Kraaipan Greenstone belts in the North-West Province. The mineralisation is hosted within gabbros of the 3 billion year old Stella Layered Intrusion ("SLI"). The SLI is steeply dipping (80-85 degrees to the west-south-west) and is generally conformable with the meta-sediments and meta-volcanics of the Kraaipan greenstone sequence.



The fundamental geology of the mineralisation at Kalplats is similar to that of the Bushveld Complex. Both deposits are magmatic with PGM's accumulated in specific layers within a layered gabbro complex. The primary difference between the deposits is that the Bushveld mineralisation is accompanied by chromite (in the UG2 reef) and sulphur (in the Merensky reef), whereas at Kalplats the mineralisation is accompanied by magnetite.

The PGM mineralisation occurs as a package of parallel reefs hosted in magnetite gabbro within the near-vertically dipping SLI. The mineralised package is approximately 50m thick, but may be up to 100m thick due to duplication caused by faulting and or folding. The mineralisation is enriched in Platinum (Pt), Palladium (Pd) and some Gold (Au), but generally devoid of other PGM's. The mineralisation is offset to various degrees by NNE trending fault structures with the currently identified mineralisation totaling up to ~8 km combined strike length over the known deposits.

The mineralisation occurs in a series of reefs that are continuous both along strike and down dip. The lower most is termed the LG (low grade) reef and is characterised by 3E PGM grades in the 1.0 to 1.2 g/t range and the Pt/Pd ratio is approximately 1.2. The unit is generally magnetite poor with low Cu and Au grades.



The Mid-Reef is the next stratigraphically higher mineralised unit, and the main distinguishing factor for this unit is that it has a Pt/Pd ratio of approximately 0.3. The Mid-Reef is more magnetite rich (up to 20% magnetite). The unit is subdivided into high grade mineralised units called the MR1 and MR2 and a low grade unit between called the Mid-Reef Low Grade (MRLG). While the general average 3E PGM grade for the MRLG is in the 1.5 g/t range, the higher grade units have grades greater than 2.5 g/t.

The MR2 is stratigraphically followed by the Main Low Grade unit (MLG) that contains little if any magnetite, has lower grades, (PGM 0.8 to 1.0 g/t) and a Pt/Pd ratio of 0.8 to 1.0.

The upper unit to the mineralisation is termed the Main Reef and has been subdivided into three sub-units, the Lower Main (LM), Mid-Main (MM) and Upper Main (UM) mineralised units. The LM is characterised by a four to five meter wide zone with average PGM grades of up to 3.5 g/t and up to 20% magnetite. The Pt/Pd ratio is approximately 1.0. The MM has the same Pt/Pd ratio as the LM but the PGM grades are approximately 1.0 g/t. The UM forms the top of the mineralised package and is visually the most distinguishable unit in the mineralised package. The average PGM grade for the UM is approximately 4.0 g/t over about 3 to 5 meters.

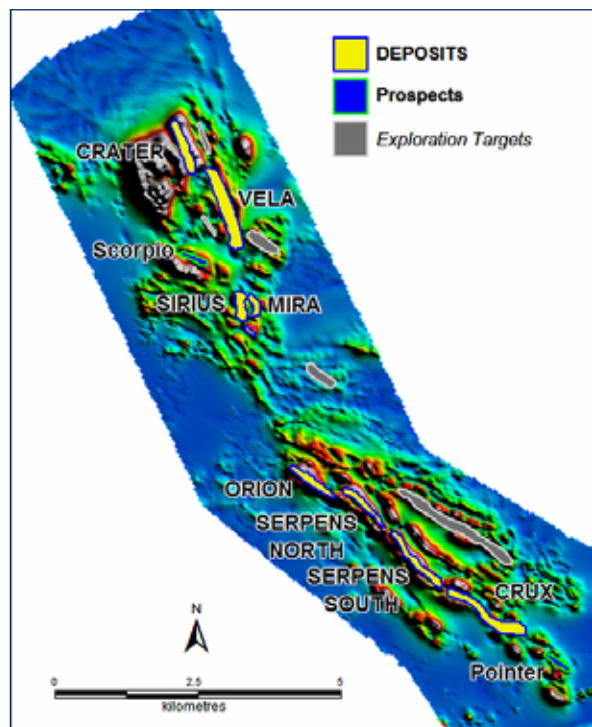
Resource

A SAMREC (South African Mineral Resource Committee) and JORC code compliant resource estimate was completed by previous owners over all seven deposits for the full mineralised package.

The Mineral Resource estimates for the Crux, Orion Sirius, Serpens North and Crater Deposits have been updated by Coffey Mining Specialists (“Coffey”) and are based on a 0.5 g/t 3E PGM cut off and extend to a depth of approximately 200 metres below soil cover, except for Crater which has been taken to a depth of 350 metres. They have been classified as Measured, Indicated and Inferred Mineral Resources and reported in Table 2 according to the guidelines of the JORC Code (2004).

When compared to the previous Harmony and Snowden estimates, the changes in the Mineral Resource estimates for the Crater, Vela, Crux, Sirius and Serpens North and Orion deposits are a function of increased drilling by PLA, which has improved our confidence and understanding of the continuity and structure of the mineralised layers. In addition the estimates were enhanced with the application of computer aided structural modeling and geostatistical estimation techniques applied by Coffey. The structural geological interpretation was aided by the data from a high resolution aeromagnetic survey completed by PLA which covers all of the Kalplats deposits.

Table 2 summarises the current resource and is a combination of the previous resource estimate for the Serpens South deposit, combined with the new resource estimate from Coffey for the Crater, Orion, Vela, Sirius, Serpens North and Crater deposits.



Review of Company Activities

Table 2 Combined Coffey plus Harmony Resource Estimate

Deposit	Total Resource ³			Main Reef Resource ²			High Grade Resource ¹		
	Tonnes	3E g/t	Ozs	Tonnes	Grade	Ozs	Tonnes	3E g/t	Ozs
Crater⁴	26,215,785	2.04	1,719,530	11,543,219	2.6	966,740	11,638,000	3.21	1,201,590
Orion⁴	11,856,000	1.58	603,210	5,597,000	2.14	385,710	2,720,000	3.33	291,100
Crux⁴	28,038,000	1.42	1,238,400	12,947,000	1.70	706,700	5,092,000	2.66	436,100
Vela⁵	36,662,000	1.34	1,579,676	14,804,000	2.08	991,573	8,171,000	3.07	806,439
Sirius⁴	9,484,000	1.43	431,490	3,103,000	2.11	210,390	1,570,000	3.19	161,020
Serpens North⁵	7,703,000	1.43	353,950	3,199,000	1.93	198,820	1,269,000	3.20	130,640
Serpens South⁶	10,762,228	1.34	462,071	5,890,324	1.81	324,262	848,289	5.09	138,993
Total	130,721,013	1.53	6,433,327	57,083,543	2.06	3,784,195	30,308,289	3.14	3,165,882

¹ Includes the high grade UM (+UUM in Crater and Vela) and LM Reefs

² Includes the UM (+UUM in Crater and Vela), Main Reef Residual and LM, which constitute the Main Reef

³ Includes the UM, UUM, LM, MR, LG, MMW and the Main Reef Residual layers, which is the total mineralised width for all seven layers

⁴ Coffey Mineral Resource estimates of Measured, Indicated and Inferred resources

⁵ Coffey Mineral Resource estimates of Indicated and Inferred resources

⁶ Harmony Mineral Resource estimates of Inferred resources



Project Development

PLA completed the resource definition drilling program in the December Quarter and a total of approximately 150,000 metres of drilling has now been completed on the project.

A PFS has been largely completed and is due to be issued shortly, based on an initial open pit mining plan for four of the seven known deposits and processing ore at a rate of 1.5 tonnes of ore per annum.

The initial indications are that the project would have a capital cost in the order of US\$100 million to develop and an operating cost of approximately US\$400 per oz 3E in concentrate.

The PFS has identified that there is significant scope to enhance the project, primarily by carrying out further work on the resource models to allow greater flexibility for the application and evaluation of grade control in the mining process; and by providing more accurate grades for mining dilution. This work is under way and it is considered that this has the potential to increase the ore grade mined and treated by up to 10% to 15%.

A Definitive Feasibility Study (“DFS”) is now under way and is expected to be completed in December 2009. The project resource base for this study will be expanded to include the Sirius and Serpens North resources which have now been updated by Coffey. The inclusion of these resources is expected to further enhance the project.

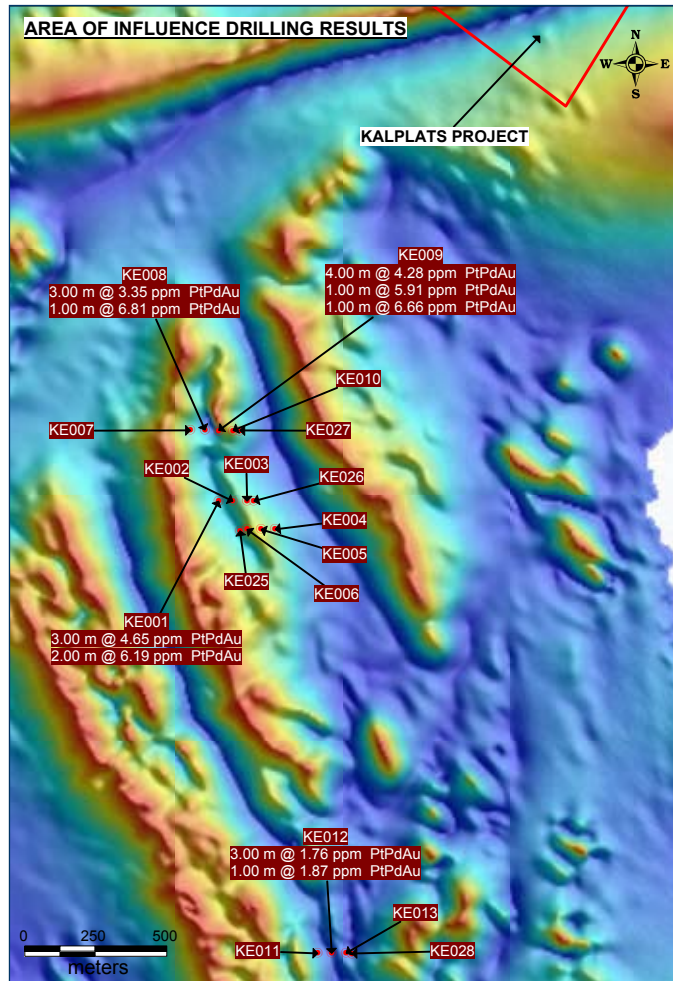
Kalplats Area of Influence Project

Platinum Australia 50%

The Kalplats Area of Influence (“Aoi”) Project covers an area of approximately 20 kilometres to the north and 18 kilometres to the south of the Kalplats Project area along the strike of the Kraaipan Greenstone belt.

The exploration work completed on the Aoi Project has included a detailed aeromagnetic survey over the entire strike length and an extensive geochemical sampling program. The first drilling program undertaken on the Aoi project in late 2008 had immediate success with mineralization intersected over a strike length of approximately 2,000 metres. Some of the best intersections included 5m @ 3.23 g/t 3E from 72m down hole in KE001, 6m @ 3.19 g/t 3E from 33m down hole in KE009 and 3m @ 3.38 g/t 3E from 53m down hole in KE008.

A follow up drilling program is planned for the late 2009.



Review of Company Activities



Stellex North Project

Platinum Australia 49%, earning up to 70%

The Stellex North Project covers an area of approximately 26 kilometres immediately to the north of the Aol along the strike of the Greenstone belt. An initial program of surface mapping and soil geochemical sampling was undertaken on the project during the year.

A detailed aeromagnetic survey and soil geochemical sampling program is planned for the coming year.

Rooderand Platinum Project

Platinum Australia earning up to 70%

In May PLA announced it had signed a conditional Heads of Agreement (“HOA”) with Atla Mining Resources (Pty) Ltd (“Atla”) to acquire up to 70% of the Rooderand Platinum Project located on the western limb of the Bushveld Igneous Complex in South Africa.

Under the terms of the HOA, PLA will earn an initial 30% interest in the project for the payment of ZAR13.5 million (AUS\$2 Million) to be made on completion of the due diligence. PLA earn a further 35% interest for funding and completing a Definitive Feasibility Study on the project. PLA can then earn a further 5% for arranging the financing for the development of the project.

Rooderand is an advanced exploration project, where previous explorer, Anglo Platinum Limited, has reported in their 2006 Annual Report, a JORC compliant Inferred Resource for their (at the time) 45% attributable interest, of 5.3 million tonnes at a grade of 5.39 g/t 4E in the UG2 reef and 1.7 million tonnes at 7.99 g/t 4E in the Merensky. This is a total of 1.35 million for their 45% attributable interest, or an Inferred Resource for both reefs combined of 3.01 million ozs 4E on a 100% attributable basis.

PLA are awaiting the issue of a Prospecting Right for the project to allow the planned drilling program to commence.



Panton PGM Project

The Panton Project is located in the Kimberley region of Western Australia, 60 km north of Halls Creek.

The Company completed a Bankable Feasibility Study on the Project in August 2003. The BFS showed that the project was technically sound but not commercially viable at the prevailing PGM prices and US\$ exchange rate.

The BFS was based upon the following resource:

Top Reef	10.08 Mt @ 6.13 g/t PGM + Au
Middle Reef	4.22 Mt @ 2.99 g/t PGM + Au
Combined	14.3 Mt @ 5.2 g/t PGM + Au

This remains the largest and highest grade known resource in Australia. The Top Reef is of a higher grade than that mined in the average operation in South Africa, while its average width of 1.5 to 2.0 metres is significantly greater than the average 1 metre thickness mined in that country.

The project is currently on hold pending a significant improvement in the PGM prices and the Company will continue to review and evaluate options for its development.

Katanning PGM Project

This Project is covered by a joint venture with Accent Resources NL ("Accent") under which they are currently undertaking exploration for non PGM minerals, primarily Vanadium and Titanium, on the Exploration Licence. PLA retains 100% of the PGM's and associated minerals and a 1% net smelter royalty on other minerals which may be processed by Accent. Work completed by Accent during the year included ground magnetic and soil sample traverses across 21 selected aeromagnetic targets. Follow up drilling is proposed for the coming year.

Gold and Base Metals

Melville Project

Platinum Australia 25% free carry

A limited program of work was undertaken on the project during the year by Prosperity Resources Pty Ltd who retains a 75% interest in the project.

Corporate Governance Statement



Eric Hughes, Peter Allchurch, John Lewins, Gillian Swaby and Michael Blakiston.

STATEMENT

Platinum Australia Limited ("Company") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("Principles & Recommendations"), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

Further information about the Company's corporate governance practices including the relevant information on the Company's charters, code of conduct and other policies and procedures is set out on the Company's website at www.platinumaus.com.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Summary Statement

	ASX P & R ¹	If not, why not ²		ASX P & R ¹	If not, why not ²
Recommendation 1.1	✓		Recommendation 4.3	✓	
Recommendation 1.2	✓		Recommendation 4.4	✓	
Recommendation 1.3	✓		Recommendation 5.1	✓	
Recommendation 2.1	✓		Recommendation 5.2	✓	
Recommendation 2.2	✓		Recommendation 6.1	✓	
Recommendation 2.3	✓		Recommendation 6.2	✓	
Recommendation 2.4	✓		Recommendation 7.1	✓	
Recommendation 2.5	✓		Recommendation 7.2	✓	
Recommendation 2.6	✓		Recommendation 7.3	✓	
Recommendation 3.1	✓		Recommendation 7.4	✓	
Recommendation 3.2	✓		Recommendation 8.1	✓	
Recommendation 3.3	✓		Recommendation 8.2	✓	
Recommendation 4.1	✓		Recommendation 8.3	✓	
Recommendation 4.2	✓			✓	

¹ Indicates where the Company has followed the Principles & Recommendations

² Indicates where the Company has provided "if not, why not" disclosure.

NOMINATION MATTERS

The Nomination Committee held one meeting during the Reporting Period. The following table identifies those directors who are members of the Nomination Committee and shows their attendance at committee meetings:

Name	No. of meetings attended
Peter Allchurch	1
John Lewins	1
Michael Blakiston	1

Corporate Governance Statement

AUDIT MATTERS

The Audit & Risk Management Committee held three meetings during the Reporting Period. Further, the external auditors attend at least twice a year and on other occasions where circumstances warrant. The following table identifies those directors' who are members of the Audit & Risk Management Committee and shows their attendance at Committee meetings:

Name	No. of meetings attended
Eric Hughes	3
Michael Blakiston	3
William Hansen	2

Details of each of the directors' qualifications are set out in the Directors' Report.

The members of the Audit & Risk Management Committee by virtue of their professional background experience and personal qualities are well qualified to carry out the functions of the Audit & Risk Management Committee. Mr Hughes has over 21 years experience as an accountant, Mr Blakiston has over 26 years of experience advising on legal, corporate and commercial matters in the resources industry and is therefore well qualified by his industry knowledge, and Mr Hansen has financial expertise through his academic qualifications and practical experience in management and executive roles in the resources industry.

REMUNERATION MATTERS

Remuneration Policy

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report.

Remuneration Committee Function

The Remuneration Committee held two meetings during the Reporting Period. The following table identifies those directors' who are members of the Remuneration Committee and shows their attendance at committee meetings:

Name	No. of meetings attended
Michael Blakiston	2
Eric Hughes	2

OTHER

Principles & Recommendations

On 30 June 2009, the Company adopted a Corporate Governance Manual which brought the Company's corporate governance policies and procedures into line with the Principles & Recommendations. A copy of the new policies procedures and summaries are now available on the Company's website.

Skills, Experience, Expertise and Term of Office of Each Director

A profile of each director containing their skills, experience, expertise and term of office is set out in the Directors' Report.

Reports and Assurances for Principle 7

The Board has required management to implement and maintain risk management and internal control systems to manage the Company's material business risks. (A summary of the Company's policy on risk oversight is available on the Company's website and a summary of the Company's risk management of material business risks is provided below.) The Board also requires management to report to it confirming that those risks are being managed effectively. Further, the Board has received an assurance from management that the Company's management of its material business risks are effective.

Also the Managing Director and the Chief Financial Officer have provided a declaration in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risk.

Summary of Company's System & Processes on the Management of Material Risks:

The Company has established policies on risk oversight and management and has a risk management and internal control system to manage the Company's material business risks. The Company has developed its risk management policy in line with the implementation of the risk management system and a risk management framework.

The Company's Risk Management Policy is to identify, assess, evaluate, monitor and mitigate risks which are considered unacceptable to the Company. Operational business controls have been identified and are in place to ensure unwanted threats to the business are managed. Whilst all personnel have a responsibility to identify and report to management risks which may materially affect the Company, the Managing Director has the overall responsibility for the management of risk in the Company. The risk management system is designed and implemented by the Managing Director, with assistance from senior executives, and is subject to the review of the Board of Directors.

The Company maintains a risk register, which sets out all of the enterprise risks that have been identified and includes an assessment of the risk (risks analysed and evaluated), and treatment plans to mitigate risks. The risk register has been compiled and is subject to periodic review by the Managing Director and senior management to ensure adequate risk control measures have been identified.

Corporate Governance Statement

Identification of Independent Directors and the Company's Materiality Thresholds

In considering the independence of directors, the Board refers to its Policy on *Assessing the Independence of Directors* (available on the Company's website).

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's *Board Charter* (available on the Company's website):

- Balance sheet items are material if they have a value of more than 10% of pro-forma net asset.
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, they could affect the Company's rights to its assets, if accumulated they would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, they are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

The independent directors of the Company are Peter Allchurch, Michael Blakiston, Eric Hughes and William Hansen.

Mr Blakiston is a principal of the firm Blakiston & Crabb. Blakiston & Crabb have been the main provider of legal services to the Company in respect of matters concerning Australian law. The Company pays legal fees on a normal commercial basis to Blakiston & Crabb. As a result of Mr Blakiston being a principal of Blakiston & Crabb he does not fit within paragraph 3 of the Company's Policy on Assessing the Independence of Directors. Mr Blakiston passes all other aspects of the Policy on Assessing the Independence of Directors. The Board (in the absence of Mr Blakiston) considers he is capable of, and demonstrates that he consistently makes decisions and takes actions which are designed to be for the best interests of the Company. The Board notes the fees paid to Blakiston & Crabb are not material to the Company and are not of a high enough level to be material to Mr Blakiston's practice or the firm Blakiston & Crabb. Therefore the Board considers Mr Blakiston to be independent.

Statement Concerning Availability of Independent Professional Advice

To assist directors with independent judgement, it is the Board's Policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Confirmation Whether Performance Evaluation of the Board and its Members Have Taken Place and How Conducted

The Board's *Process for Performance Evaluation* (available on the Company's website during the Reporting Period) stated that the chairperson is responsible for conducting an annual review of Board performance. However, the Company did not conduct a performance evaluation in accordance with its Process for Performance Evaluation Policy for the Reporting Period.

The process for performance evaluation for the Reporting Period comprised the use of a confidential customised questionnaire which is then internally analysed. Whilst the Company has in the past, and will in the future, use external independent consultants to assist with the performance evaluations, the Company does not consider this is necessarily required every year.

Existence and Terms of any Schemes for Retirement Benefits for Non-Executive Directors

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

Directors' Report

The directors of Platinum Australia Limited ("Platinum" or "the Company") present their report and financial report of Platinum and its subsidiaries (collectively "the Group") for the financial year ended 30 June 2009.

1. Directors

The directors in office at any time during the year or since the end of the year are:



Mr Peter Donald Allchurch (Non-Executive Chairman – Age 66)

B.Sc, FAusIMM, MPESA.

Mr Allchurch is a geologist with more than 40 years experience in mineral exploration, mining and petroleum exploration, development and production. Mr Allchurch has been an executive director of a number of listed Australian mining and oil and gas companies since 1980 and has considerable experience in corporate management.

Mr Allchurch was appointed as a Director on 21 June 2000.

Special Responsibilities

Chairman of the Board

Member of Nomination Committee



Mr John Derek Lewins (Managing Director – Age 51)

B.Sc, (Mineral Eng), Grad Dip Management.

Mr Lewins is an Engineer with more than 20 years experience in senior mining management roles, including development of mining projects from a resource stage through feasibility studies, commissioning of mines and sustained profitable mining operations.

Mr Lewins was appointed as a Director on 3 May 2001.

Special Responsibilities

Managing Director

Member of Nomination Committee



Mr Michael Gerrard Blakiston (Non-Executive Director – Age 51)

B.Juris LLB

Mr Blakiston is a Solicitor in the firm Blakiston & Crabb. For some 26 years he has practised extensively in the field of corporate and resource law and has had considerable experience in commercial and corporate management. Mr Blakiston is a director of Rox Resources Ltd (since 2003), Vulcan Resources Limited (since 2002), Axiom Properties Ltd (2006) and Aurora Oil and Gas Ltd (since 2003).

Mr Blakiston was appointed as a Director on 21 June 2000.

Former directorships of listed companies in last 3 years

Alcaston Mining NL from 2005 to 2006

Argentina Copper Ltd from 2006 to 2007

Special Responsibilities

Chairman of Remuneration Committee

Member of Audit Committee

Member of Nomination Committee



Mr Eric Edward Hughes (Non-Executive Director – Age 47)

B.Bus, CPA

Mr Hughes is an accountant with some 20 years experience in both corporate and practice environments. During the last 15 years he has been directly involved in the management of petroleum and mining companies as a senior manager, executive and non-executive director. Mr Hughes is experienced in the evaluation, development and operation of resource projects.

Mr Hughes was appointed as a Director on 21 June 2000.

Special Responsibilities

Chairman of Audit Committee

Member of Remuneration Committee

Directors' Report

1. Directors (continued)



Mr William A (Lex) Hansen (Non-Executive Director – Age 69),
B.Sc, (Geology and Metallurgy), MBA, FAusIMM, FAICD

Mr Hansen has more than 45 years experience in senior positions in the mining industry. His career has spanned exploration, mine operations and development, corporate finance, stockbroking and investment. His most recent position was Executive Director of Corporate Finance (Mining) at HSBC Bank Australia with regional responsibility for resources debt and equity investment appraisals and underwriting transactions. He has also been a director of a public listed gold exploration and development company. Mr Hansen is a director of Heemskirk Consolidated Limited and Core Resources Limited.

Mr Hansen was appointed as a Director on 21 January 2004.

Former directorships of listed companies in last 3 years
Core Resources Limited from 2005 to 2008

Special Responsibilities
Member of Audit Committee



Ms Gillian Swaby (Company Secretary – Age 49)
B.Bus, FCIS, FAICD

Ms Swaby has been involved in financial and corporate administration for listed companies, as both Director and Company Secretary covering a broad range of industry sectors, for over 25 years. Ms Swaby has extensive experience in the area of secretarial practice, management accounting and corporate and financial management and sits on a number of advisory committees.

Ms Swaby is past Chair of the Western Australian Council of Chartered Secretaries of Australia, a former Director on their National Board and lecturer for the Securities Institute of Australia. Ms Swaby is the principal of a corporate consulting company.

2. Directors' Meetings

The number of Directors' meetings and meetings of committees held in the period each Director held office during the financial year, and the number of meetings attended by each Director are:

	Board of Directors'		Audit Committee		Remuneration Committee		Nomination Committee	
	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend
Mr PD Allchurch	7	7	-	-	-	-	1	1
Mr JD Lewins	7	7	-	-	-	-	1	1
Mr MG Blakiston	7	7	3	3	2	2	-	-
Mr EE Hughes	7	7	3	3	2	2	-	-
Mr WA Hansen	6	7	2	3	-	-	-	-

3. PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were platinum and palladium exploration, development and production.

4. FINANCIAL RESULTS

The operating loss after income tax and minority interest of the Group for the financial year ended 30 June 2009 totalled \$14,847,887, (2008: \$11,141,063).

5. DIVIDENDS

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of dividend since the end of the previous financial year and to the date of this report.

6. REVIEW OF OPERATIONS

The Company's main operations are platinum-palladium exploration, development and production in Southern Africa and Australia. Please refer to the Review of Company Activities Report immediately preceding this Directors' Report for details of the Company's activities.

7. LIKELY DEVELOPMENTS

The Group intends to continue exploration, development and the production of Platinum Group Metals.

During the year the Group produced its first concentrates from the Smokey Hills Platinum Project, joining the ranks of producers of Platinum Group Metals.

8. State of Affairs

There were no significant changes in the state of affairs of the Group during the financial year not otherwise dealt with in this report.

Directors' Report

9. Remuneration Report

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation

A Principles used to determine the nature and amount of remuneration

The Remuneration Committee, on behalf of the Board of Directors, monitors compensation of Directors and executives of the Company.

Generally, compensation is provided by the Company to its Directors and executives, by way of base salary, granting of employee options and superannuation. The overall objective is to ensure that remuneration is fair and reasonable and sufficient to attract and retain qualified and experienced Directors and executives.

The remuneration program for the Directors and executives of the Company is designed to ensure that the level and form of remuneration achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective Directors and executives;
- (b) motivating their short and long-term performance; and
- (c) aligning their interests with those of the Company's shareholders.

Given the evolving nature of the Company's business, the Remuneration Committee continues to review and redesign the overall compensation plan for Directors and executives so as to continue to address the objectives identified above.

Company Performance

The overall level of remuneration takes into account the growth in shareholder wealth of the Company via participation in the Employee Share Option Plan.

As a result of the exploration, development and early stages of production nature of the Company's activities the overall level of remuneration does not focus on the earnings of the Company.

Directors' Fees

Fees payable to Non-Executive Directors, other than the Chairman, are set at \$57,000 per annum, inclusive of any superannuation obligations. The Chairman receives \$78,000 per annum, inclusive of superannuation.

Compensation paid to the Managing Director is set out under Section C - Service Agreements.

In addition, the Company's Constitution provides for additional remuneration to be paid if any of the Directors are called upon to perform extra services or make any special exertions on behalf of the Company or the business of the Company.

The Directors may remunerate such Directors in accordance with such services or exertions, and such remuneration may be either in addition to or in substitution for the Directors' fees referred to above.

Base Salary

The first step to attracting and retaining talented, qualified and effective Directors and executives is paying base salaries which are competitive in the markets in which the Company operates. Competitive salary information on companies earning comparable revenues in a similar industry is compiled from a variety of sources, including surveys conducted by independent consultants and national and international publications.

The Remuneration Committee is responsible for assessing whether the measures are met and will take into account, amongst other things, the progress of the Company in meeting its objectives, the financial performance of the Company, and the growth in market capitalisation.

Company Employee Share Option Plan

The Company believes that encouraging its Directors and executives to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's Employee Share Option Plan taking into account a number of factors, including the amount and term of options previously granted, base salary and competitive factors. Options have also been issued to Directors pursuant to specific approval of shareholders as to the terms and conditions.

Information on the Employee Share Option Plan is set out under Section D - Share-based Compensation below. Options granted during the year included specific performance conditions that are required to be met by the Company in order for the options to vest.

Directors' Report

9. Remuneration Report (continued)

B Details of Remuneration (this information has been audited)

Details of the remuneration of each Director are set out in the following tables.

Directors of the Company

	Year	Primary Salary/Fees \$	Post Employment Superannuation \$	Cash Bonus \$	Equity Options \$	Total \$
Mr PD Allchurch	2009	71,561	6,440	-	-	78,001
(Non-Executive Chairman)	2008	71,560	6,440	-	-	78,000
Mr JD Lewins	2009	519,231	13,745	-	-	532,976
(Managing Director)	2008	345,000	13,129	35,000	-	393,129
Mr MG Blakiston	2009	52,301	4,707	-	-	57,008
(Non-Executive Director)	2008	52,287	4,706	-	-	56,993
Mr EE Hughes	2009	52,301	4,707	-	-	57,008
(Non-Executive Director)	2008	52,287	4,706	-	-	56,993
Mr WA Hansen	2009	52,301	4,707	-	-	57,008
(Non-Executive Director)	2008	52,287	4,706	-	-	56,993
Total	2009	747,695	34,306	-	-	782,001
	2008	573,421	33,687	35,000	-	642,108

Specified executives of the Company

	Year	Primary Salary/Fees \$	Post Employment Superannuation \$	Cash Bonus \$	Equity Options \$	Total \$
Mr DG Neill	2009	300,000	13,745	-	-	313,745
(Chief Financial Officer)	2008	246,250	13,129	-	-	259,379
Mr RA Wallis	2009	187,338	-	-	-	187,338
(General Manager) Platinum Australia SA (Pty) Ltd	2008	171,368	-	13,709	-	185,077
Mr W Smart	2009	163,658	-	-	-	163,658
(General Manager) Smokey Hills Platinum (Pty) Ltd	2008	156,288	-	-	-	156,288
Mr GW Ramsay	2009	84,302	-	-	-	84,302
(General Manager Projects and Engineering) Platinum Australia SA (Pty) Ltd	2008	-	-	-	-	-
Total	2009	735,298	13,745	-	-	749,043
	2008	573,906	13,129	13,709	-	600,744

The Company paid legal fees on normal commercial terms to Blakiston & Crabb, a legal firm of which Mr Blakiston, a director of the Company, is a partner. The amount paid by the Company for the year ended 30 June 2009 to Blakiston and Crabb was \$ 41,869 (2008: \$56,688).

During the year, an amount of \$ 8,388 (2008: \$10,802) was paid to a director related entity, Allchurch Communications, which is a business operated by the daughter of Mr Allchurch. This amount included, in addition to consultancy fees, reimbursement of associated costs such as graphic design and printing costs.

C Service Agreements

Remuneration and other terms of employment for the Managing Director are formalised in an employment contract with the Company pursuant to which he received a salary of \$519,231 and statutory superannuation of \$13,745. Options issued to Mr Lewins contain performance hurdles which must be achieved before they can be exercised, therefore enhanced corporate performance will return a financial benefit to Mr Lewins via those options. Performance hurdles are determined by the Board.

Messrs Allchurch, Blakiston, Hughes, and Hansen receive fees in cash. The fees are fixed and approved by shareholders and are not related to the performance of the Company. The Company's Constitution provides that directors may collectively be paid a fixed sum not exceeding the aggregate maximum per annum from time to time as determined by the Company. A director may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director.

Remuneration and other terms of employment for the Specified Executives of the Company are also formalised in an employment contract whereby they are entitled to a base salary inclusive of superannuation, and are entitled to participate in the Company Employee Share Option Plan.

D Share-based Compensation

Options are granted under the Company Employee Share Option Plan for no consideration. Options are granted for a five year period and entitlements to the options are vested as soon as performance conditions have been met. Options are exercisable in defined tranches with conditions attaching to each tranche to reflect the Company's development strategy and align the interests of Directors and executives to those of shareholders.

The amounts disclosed for emoluments relating to options are the assessed fair values at grant date of options granted to Directors and other executives, allocated equally over the period from grant date to expiry. Fair values at grant date are independently determined using the Binomial Tree Model method of valuation that takes into account the exercise price, the term of the option, the vesting and market related criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and the risk of the underlying share and the risk-free interest rate for the term of the option.

Directors' Report

9. Remuneration Report (continued)

D Share-based Compensation (continued)

A summary of the performance conditions applicable to the options issued above are as follows:

1. Successful completion of a pre-feasibility study at Kalahari Platinum Project
2. Successful completion of a bankable feasibility study at Kalahari Platinum Project
3. Successful completion of a bankable feasibility study at Smokey Hills Project (vested 24 August 2006)
4. Commencement of production at Kalahari Platinum Project
5. Commencement of production at Smokey Hills Project (vested March 2009)
6. Find a deposit in which the company has an interest and at least 350,000 ounces of platinum or platinum equivalent are attributed to the company's interest in that deposit (vested 30 July 2005)
7. Commencement of production or the sale of a commercial deposit of minerals of no less than 500,000 ounces of platinum or the platinum equivalent which is fully owned by the Company or at least 500,000 ounces that can be attributed to the Company's interest in that deposit.
8. First drawdown on a bank facility for Smokey Hills (vested 23 April 2008)
9. The definition of 0.5Moz of PGM resource at the Kalahari Platinum Projects Area of Influence
10. The definition of a further 1Moz of high grade (+3g/t) 3E PGM at Kalahari Platinum Project (vested 12 April 2009)
11. First drawdown on a bank facility for Kalahari Platinum Project
12. Completion of construction at Smokey Hills Project (vested 9 February 2009)
13. Achievement of 60,000tpm ore production from Smokey Hills underground mine
14. Achievement of "completion" at Smokey Hills (as defined in Standard Bank documents)
15. Successful completion of Bankable Feasibility Study at the Kalahari Platinum Project with a high grade resource greater than 2.5g/t resource = 2.5Moz
16. Commencement of construction at Kalahari Platinum Project
17. First commercial concentrate shipped at Kalahari Platinum Project
18. Additional 1Moz PGM outside of the Smokey Hills and Kalplats Projects is identified or acquired
19. Commencement of production at the Panton Project, or any other project that the Company may acquire
20. First concentrate shipped from Smokey Hills mine (vested 12 March 2009)
21. Completion of open pit mining at Smokey Hills
22. Completion of first full (financial) year of production at Smokey Hills
23. Achievement of 720,000 tonnes over a twelve month period from underground at Smokey Hills
24. Commencement of production at the Kalahari Platinum Project
25. Achievement of design production and recovery over a twelve month period at Smokey Hills

The following terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

Grant date	Expiry date	Performance condition	Exercise price	Value per option at grant date
25 November 2004	10 December 2009	-	35 cents	12 cents
30 November 2004	5 November 2008	1,2,3,4,5	22.5 cents	12.1 cents
10 December 2004	11 December 2009	3,6,7	20 cents	8.5 cents
16 January 2006	30 November 2009	1,2,3,4,5	37 cents	22.5 cents
31 May 2006	30 April 2010	1,2,3,4,5	83 cents	31.7 cents
18 July 2006	30 June 2010	1,2,3,4,5,8	70 cents	39.8 cents
21 December 2006	21 December 2011	15,16,17,18,19	\$1.25	62.9 cents
16 April 2007	6 June 2010	1,2,4,9,10	\$1.29	70.6 cents
30 June 2007	30 June 2011	2,4,5,8,9,10,11,12,13,14	\$1.74	46.7 cents
31 July 2008	31 July 2012	13,14,15,20,22,24	\$2.11	75.3 cents
31 July 2008	31 July 2012	13,20,21,22,23,25	\$2.35	63.2 cents
31 July 2008	31 July 2012	13,14,20,22,25	\$2.41	58.6 cents

Options granted under the plan carry no dividend or voting rights.

The exercise price of the options is based on the weighted average price at which the Company's shares are traded on the Australian Securities Exchange during the week up to and including the date of grant.

Directors' Report

9. Remuneration Report (continued)

D Share-based Compensation (continued)

Details of options over ordinary shares in the Company provided as remuneration to each Director of Platinum Australia Limited and each of the specified executives of the parent entity and the Group are set out below. When exercisable, each option is convertible into one ordinary share of Platinum Australia Limited.

Name	Number of options granted during the year		Number of options vested during the year		Number of options exercised during the year		Date
	2009	2008	2009	2008	2009	2008	
Directors of Platinum Australia Limited							
Mr JD Lewins	-	-	1,750,000	-	-	-	-
Mr MG Blakiston	-	-	-	-	-	-	-
Mr WA Hansen	-	-	-	-	-	-	-
Mr EE Hughes	-	-	-	-	-	400,000	9 June 2008
Specified Executives							
Mr DG Neill	-	-	150,000	100,000	-	-	-
Mr RAG Wallis	-	-	80,000	-	-	40,000	29 Jan 2008
Mr W Smart	-	-	100,000	-	-	-	-

During the year 80,000 options held by Mr Wallis lapsed (2008:Nil).

10. Directors' Interests in Shares and Options of the Company

	Fully Paid Shares	Options*	Options**	Options***
Mr PA Allchurch	7,407,753	1,850,000	-	-
Mr JD Lewins	1,422,000	1,350,000	2,500,000	3,000,000
Mr MG Blakiston	1,004,167	-	-	-
Mr WA Hansen	-	200,000	-	-
Mr EE Hughes	425,000	-	-	-

The particulars of Directors' interests in shares and options are as at the date of this report.

* Unlisted and exercisable at \$0.35 on or before 10 December 2009; all vested at 30 June 2009

** Unlisted and exercisable at \$0.20 on or before 11 December 2009; 2,250,000 vested at 30 June 2009

*** Unlisted and exercisable at \$1.25 on or before 21 December 2011; None have vested at 30 June 2009

11. Shares Under Option

Non-issued ordinary shares of the Company under option at the date of this report are as follows:

Date options granted	Expiry date	Exercise price of options	Number under option
<i>Unlisted Options</i>			
25 November 2005	10 December 2009	\$0.35	3,400,000
25 November 2005	11 December 2009	\$0.20	2,500,000
16 January 2006	30 November 2009	\$0.37	530,000
18 July 2006	30 June 2010	\$0.70	400,000
21 December 2006	21 December 2011	\$1.25	3,000,000
16 April 2007	30 March 2011	\$1.29	100,000
30 June 2007	30 June 2011	\$1.74	900,000
28 July 2008	31 July 2012	\$2.11	250,000
28 July 2008	31 July 2012	\$2.41	100,000
28 July 2008	31 July 2012	\$2.35	115,000
Total			11,295,000

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity.

12. Shares Issued on the Exercise of Options

The following ordinary shares of the Company were issued during the year ended 30 June 2009 on the exercise of options. No amounts are unpaid on any of the shares.

Date options granted	Exercise price of options	Number under option
5 November 2004	\$0.225	20,000

13. Environmental Compliance

The Group is subject to a range of environmental laws and regulations in respect to its exploration and development activities.

The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all relevant environmental legislation.

During the year, the Company met all reporting requirements in relation to the above environmental legislation.

No circumstances arose which resulted in an incident to be reported under environmental legislation.

Directors' Report

14. Events Subsequent to Balance Date

On 6 July 2009, a General Meeting of the Company approved a placement of 54,667,173 shares at \$1.02 per share, announced by the Company on 28 May 2009.

Proceeds from the issue of 24,667,173 of these share was received on 13 July 2009. The balance of 30,000,000 shares being placed to a Chinese Investor is pending Chinese regulatory approvals.

On 31 July 2009, the Company's subsidiary Phokathaba Platinum (Pty) Ltd, made a part repayment of its project financing facility with the Standard Bank of South Africa Limited, amounting to ZAR 200 million, made up of ZAR 125,957,578 proceeds on closure of hedge contracts and ZAR 74,042,422 cash proceeds from the placement referred to above.

On 21 August 2009, the Company announced that it had signed a Committed Letter of Offer for a Bridge Facility of A\$15m with Macquarie Bank (the terms of which are more fully set out in Note 22). The proceeds of this Facility and cash on hand were utilised to retire the balance of the Standard Bank Facility on 11 September 2009.

15. Non-Audit Services and Auditor Independence

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

During the year ended 30 June 2009, the auditor did not provide any non-audit services.

The Directors received an Independence Declaration from the auditor of the Company and a copy, as required under section 307C of the Corporation Act 2001 is set out on page 35.

16. Indemnification of Officers

An indemnity agreement has been entered into with each of the Directors of the Company named earlier in this report. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities. There is no monetary limit to the extent of this indemnity.

During the financial year, the Company has paid premiums to insure the Directors and executives against certain liabilities arising out of their conduct while acting as an officer of the Company. Under the terms and conditions of the insurance contract, the nature of liabilities insured against and the premium paid cannot be disclosed.

Signed in accordance with a resolution of Directors.



JOHN D. LEWINS

Managing Director

Perth, Western Australia

30 September 2009

Auditor's Independence Declaration



Accountants | Business and Financial Advisers

Auditor's Independence Declaration

As lead auditor for the audit of the financial report of Platinum Australia Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Platinum Australia Limited.

Perth, Western Australia

30 September 2009

A handwritten signature in dark blue ink, appearing to read 'W M Clark'.

W M CLARK

Partner, HLB Mann Judd

HLB Mann Judd (WA Partnership)

15 Rheola Street West Perth 6005. PO Box 263 West Perth 6872 Western Australia. DX 238 (Perth) Telephone +61 (08) 9481 0977. Fax +61 (08) 9481 3686.

Email: hlb@hlbwa.com.au. Website: <http://www.hlb.com.au>

Partners: Terry M Blenkinsop, Litsa Christodoulou, Wayne M Clark, Lucio Di Giallonardo, Colin D Emmott, Trevor G Hoddy, Norman G Neill, Peter J Speechley

HLB Mann Judd (WA Partnership) is a member of International and the HLB Judd National Association of independent accounting firms

Income Statement

for the year ended 30 June 2009

	Notes	Consolidated		Parent	
		2009 \$	2008 \$	2009 \$	2008 \$
Revenue	2	13,969,586	2,180,360	2,876,418	2,424,547
Cost of sales		(20,132,126)	-	-	-
Other income	2	3,883,680	708,908	2,183,423	1,676,902
Exploration expenditure		(5,242,133)	(8,917,466)	(40,464)	(40,367)
Impairment of loans to subsidiaries		-	-	(7,427,265)	(10,443,178)
Impairment of loan to associated entity		(23,624)	(37,153)	(23,624)	(37,153)
Employee benefits expense	12	(709,047)	(1,451,828)	(709,047)	(1,451,828)
Depreciation and amortisation expense		(6,099,087)	(129,946)	(49,279)	(42,778)
Finance costs		(4,979,738)	-	(1,514)	-
Other expenses	2	(7,603,190)	(4,317,502)	(3,263,263)	(3,002,573)
Loss before income tax benefit		(26,935,679)	(11,964,627)	(6,454,615)	(10,916,428)
Income tax benefit	3	5,153,097	823,564	-	-
Loss after tax		(21,782,582)	(11,141,063)	(6,454,615)	(10,916,428)
Loss attributable to minority interest		6,934,695	-	-	-
Net loss attributable to members of parent		(14,847,887)	(11,141,063)	(6,454,615)	(10,916,428)
Total changes in equity other than those resulting from transactions with owners as owners		(14,847,887)	(11,141,063)	(6,454,615)	(10,916,428)
Basic earnings per share (cents per share)	5	(6.4)	(5.3)		
Diluted earnings per share (cents per share)	5	(6.4)	(5.3)		

The accompanying notes form part of these financial statements

Balance Sheet

as at 30 June 2009

	Notes	Consolidated		Parent	
		2009 \$	2008 \$	2009 \$	2008 \$
Assets					
Current Assets					
Cash and cash equivalents	6	7,295,561	41,379,159	5,411,167	20,766,936
Receivables	7	5,411,969	2,774,153	1,344,231	329,062
Inventories	8	6,525,696	-	-	-
Other financial assets	9	6,610,844	1,354,450	-	-
Total Current Assets		25,844,070	45,507,762	6,755,398	21,095,998
Non-Current Assets					
Receivables	7	12,571,398	8,909,110	65,568,785	37,692,380
Other financial assets	9	17,054,873	2,161,283	23,734,311	23,734,311
Development costs capitalised	10	46,237,108	36,517,748	-	-
Property, plant and equipment	11	80,578,075	30,675,980	101,120	135,910
Deferred tax asset	3	7,209,746	2,568,674	-	-
Total Non-Current Assets		163,651,200	80,832,795	89,404,216	61,562,601
Total Assets		189,495,270	126,340,557	96,159,614	82,658,599
Liabilities					
Current Liabilities					
Trade and other payables		16,966,594	10,420,243	163,134	157,351
Provisions	13	567,641	266,752	417,057	207,844
Interest bearing liabilities	14	8,917,676	-	-	-
Current taxation payable	3	1,497,328	7,228	-	-
Total Current Liabilities		27,949,239	10,694,223	580,191	365,195
Non-Current Liabilities					
Payables		59,172	83,690	4,795	7,900
Provisions	13	3,030,757	1,885,353	-	84,729
Interest bearing liabilities	14	45,845,674	31,856,946	-	-
Derivative financial instruments	15	-	8,027,680	-	-
Deferred tax liability	3	18,614,709	6,828,629	-	-
Total Non-Current Liabilities		67,550,312	48,682,298	4,795	92,629
Total Liabilities		95,499,551	59,376,521	584,986	457,824
Net Assets		93,995,719	66,964,036	95,574,628	82,200,775
Equity					
Contributed equity	16	142,442,989	123,321,128	142,442,989	123,321,128
Reserves	16	16,187,501	(6,268,749)	3,480,351	2,773,744
Accumulated losses		(64,488,464)	(50,088,343)	(50,348,712)	(43,894,097)
Parent entity interest		94,142,026	66,964,036	95,574,628	82,200,775
Minority interest	16	(146,307)	-	-	-
Total Equity		93,995,719	66,964,036	95,574,628	82,200,775

The accompanying notes form part of these financial statements

Cash Flow Statement

for the year ended 30 June 2009

Notes	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
	Inflows/(Outflows)		Inflows/(Outflows)	
Cash flows from operating activities				
Receipts from customers	3,360,542	-	-	-
Payments to suppliers and employees	(4,943,664)	(1,884,941)	(2,922,862)	(2,365,181)
Interest received	1,695,525	1,881,535	779,929	1,183,308
Payments for exploration expenditure	(6,131,006)	(9,754,193)	(245,167)	(40,367)
Payments for mining expenditure	(11,865,512)	-	-	-
Other income	2,012,543	-	-	-
Net cash used in operating activities	6(c) (15,871,572)	(9,757,599)	(2,388,100)	(1,222,240)
Cash flows from investing activities				
Purchase of non-current assets	(229,908)	(328,640)	(14,490)	(113,685)
Proceeds from sale of non-current assets	974	620	-	620
Development costs and mining capital expenditure	(48,273,041)	(38,477,131)	-	-
Loans to subsidiaries	-	-	(32,068,304)	(39,898,931)
Repayments of loans by subsidiaries	-	-	-	2,500,000
Loans to related parties	(45,860)	-	(4,296)	-
Repayments of loans by related parties	-	13,642	-	13,642
Net cash used in investing activities	(48,547,835)	(38,791,509)	(32,087,090)	(37,498,354)
Cash flows from financing activities				
Proceeds from issue of shares	20,023,984	44,509,026	20,023,984	44,509,025
Share issue costs paid	(904,563)	(1,756,997)	(904,563)	(1,756,997)
Advances from financial institutions	8,965,021	29,827,822	-	-
Advances from minorities	-	2,544,675	-	-
Net cash provided by financing activities	28,084,442	75,124,526	19,119,421	42,752,028
Net increase/(decrease) in cash and cash equivalents	(36,334,965)	26,575,418	(15,355,769)	4,031,434
Effects of exchange rate changes in cash	2,251,367	(3,138,713)	-	-
Cash and cash equivalents at 1 July 2008	41,379,159	17,942,454	20,766,936	16,735,502
Cash and cash equivalents at 30 June 2009	6 7,295,561	41,379,159	5,411,167	20,766,936

The accompanying notes form part of these financial statements

Statement of Changes in Equity

for the year ended 30 June 2009

Consolidated

	Ordinary Shares \$	Accumu- lated Losses \$	Employee Benefits Reserve \$	Foreign Currency Translation Reserve \$	Hedge Accounting Reserve \$	Minority Contri- bution Reserve \$	Minority Interest \$	Total \$
Balance at 30 June 2007	80,057,184	(38,449,313)	1,533,832	(1,986,746)	-	-	(910,353)	40,244,604
Shares issued during the year	44,809,025	-	-	-	-	-	-	44,809,025
Share issue costs	(1,756,997)	-	-	-	-	-	-	(1,756,997)
Employee options share based payment expense	-	-	1,451,828	-	-	-	-	1,451,828
Transfer to contributed equity on exercise of employee options	211,916	-	(211,916)	-	-	-	-	-
Loss attributable to members of the parent entity	-	(11,141,063)	-	-	-	-	-	(11,141,063)
Consolidation adjustment	-	(497,967)	-	-	-	-	497,967	-
Mark to market attributable to members of parent entity	-	-	-	-	(3,137,015)	-	-	(3,137,015)
Mark to market attributable to minority shareholders	-	-	-	-	-	-	(1,633,949)	(1,633,949)
Parent entity's share of the equity contribution by minority shareholders	-	-	-	-	-	5,749,226	-	5,749,226
Contribution by minority shareholders	-	-	-	-	-	-	2,046,335	2,046,335
Adjustment from translation of foreign subsidiaries	-	-	-	(9,667,958)	-	-	-	(9,667,958)
Sub-total	43,263,944	(11,639,030)	1,239,912	(9,667,958)	(3,137,015)	5,749,226	910,353	26,719,432
Balance at 30 June 2008	123,321,128	(50,088,343)	2,773,744	(11,654,704)	(3,137,015)	5,749,226	-	66,964,036

The accompanying notes form part of these financial statements

Statement of Changes in Equity

for the year ended 30 June 2009

Consolidated	Ordinary Shares	Accumu- lated Losses	Employee Benefits Reserve	Foreign Currency Translation Reserve	Hedge Accounting Reserve	Minority Contri- bution Reserve	Minority Interest	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 30 June 2008	123,321,128	(50,088,343)	2,773,744	(11,654,704)	(3,137,015)	5,749,226	-	66,964,036
Shares issued during the year	20,019,484	-	-	-	-	-	-	20,019,484
Share issue costs	(904,563)	-	-	-	-	-	-	(904,563)
Employee options exercised	4,500	-	-	-	-	-	-	4,500
Employee options share based payment expense	-	-	709,047	-	-	-	-	709,047
Transfer to contributed equity on exercise of employee options	2,440	-	(2,440)	-	-	-	-	-
Loss attributable to members of the parent entity	-	(14,847,887)	-	-	-	-	-	(14,847,887)
Consolidation adjustment	-	447,766	-	-	-	-	(447,766)	-
Mark to market attributable to members of parent entity	-	-	-	-	14,760,258	-	-	14,760,258
Mark to market attributable to Minority Shareholders	-	-	-	-	-	-	7,688,809	7,688,809
Losses attributable to minority shareholders	-	-	-	-	-	-	(6,934,695)	(6,934,695)
Adjustment from translation of foreign subsidiaries	-	-	-	6,989,385	-	-	(452,655)	6,536,730
Sub-total	19,121,861	(14,400,121)	706,607	6,989,385	14,760,258	-	(146,307)	27,031,683
Balance at 30 June 2009	142,442,989	(64,488,464)	3,480,351	(4,665,319)	11,623,243	5,749,226	(146,307)	93,995,719

The accompanying notes form part of these financial statements

Statement of Changes in Equity for the year ended 30 June 2009

Parent

	Ordinary Shares \$	Accumulated Losses \$	Employee Benefits Reserve \$	Total \$
Balance at 1 July 2007	80,057,184	(32,977,669)	1,533,832	48,613,347
Shares issued during the year	44,809,025	-	-	44,809,025
Share issue costs	(1,756,997)	-	-	(1,756,997)
Employee options share based payment expense	-	-	1,451,828	1,451,828
Transfer to contributed equity on exercise of employee options	211,916	-	(211,916)	-
Loss attributable to members of the parent entity	-	(10,916,428)	-	(10,916,428)
Sub-total	43,263,944	(10,916,428)	1,239,912	33,587,428
Balance at 30 June 2008	123,321,128	(43,894,097)	2,773,744	82,200,775
Shares issued during the year	20,019,484	-	-	20,019,484
Share issue costs	(904,563)	-	-	(904,563)
Employee options share based payment expense	-	-	709,047	709,047
Transfer to contributed equity on exercise of employee options	2,440	-	(2,440)	-
Employee options exercised	4,500	-	-	4,500
Profit attributable to members of the parent entity	-	(6,454,615)	-	(6,454,615)
Sub-total	19,121,861	(6,454,615)	706,607	13,373,853
Balance at June 2009	142,442,989	(50,348,712)	3,480,351	95,574,628

The accompanying notes form part of these financial statements

Notes to the Financial Statements

for the year ended 30 June 2009

Note 1: Statement of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis and is presented in Australian Dollars.

The Company is a listed public company incorporated in Australia and operating in Australia and South Africa.

(b) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2009, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet mandatory for the year ended 30 June 2009. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

(c) Statement of Compliance

The financial report was authorised for issue on 30th September 2009, subject to final drafting and audit clearance.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Platinum Australia Limited and its subsidiaries as at 30 June each year (the Group).

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet. The Group has applied the amendments to AASB 127 issued in March 2009 whereby profit or loss after tax is attributed to a minority interest even if this results in the minority interest having a deficit balance.

(e) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

i) Share-based payment transactions:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Binomial Tree model, using the assumptions detailed in Note 12.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Binomial Tree formula, taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 12.

ii) Provision for restoration and rehabilitation and dismantling plant and equipment

Provision for restoration and rehabilitation and dismantling plant and equipment is estimated taking into account estimates of expenditures based on information available at the balance sheet date. This estimate is based on the expenditure required to undertake the rehabilitation and dismantling, after taking into account the time value of money.

Notes to the Financial Statements

for the year ended 30 June 2009

Note 1: Statement of Significant Accounting Policies (continued)

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

(ii) Rendering of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the contract.

(iii) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(g) Exploration, evaluation and exploration tenement acquisition expenditure

Exploration, evaluation and exploration tenement acquisition expenditure is expensed in the year in which it is incurred.

(h) Development expenditure

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Where commercial production of an area of interest has commenced, the associated costs are amortised over the estimated economic life of the mine on a units-of-production basis.

(i) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised.

Finance leased assets are depreciated on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(j) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Long-term deposits comprise funds held at call with a maturity date between 3 months and 1 year.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(k) Inventories

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(l) Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward commodity price contracts to hedge its risks associated with commodity price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to net profit or loss for the year.

The fair value of forward commodity price contracts is calculated by reference to current forward prices for contracts with similar maturity profiles.

Notes to the Financial Statements

for the year ended 30 June 2009

Note 1: Statement of Significant Accounting Policies (continued)

(I) Derivative financial instruments and hedging (continued)

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability;
- cash flow hedges when they hedge exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction; or
- hedges of a net investment in a foreign operation.

A hedge of the foreign currency risk of a firm commitment is accounted for as a cash flow hedge.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(i) Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured to fair value and gains and losses from both are taken to profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit or loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

(ii) Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

Amounts taken to equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when hedged income or expenses are recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the income statement.

(iii) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a similar way to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity while any gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recognised directly in equity is transferred to profit or loss.

(m) Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Notes to the Financial Statements

for the year ended 30 June 2009

Note 1: Statement of Significant Accounting Policies (continued)

(m) Impairment of financial assets (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(iii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(n) Foreign currency translation

Both the functional and presentation currency of Platinum Australia Limited and its Australian subsidiaries is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of the foreign operations, Platinum Australia SA (Pty) Ltd, Stella Platinum (Pty) Ltd, Platinum Rivers Project (Pty) Ltd, Stellex Platinum (Pty) Ltd, EL Platinum (Pty) Ltd, Smokey Hills Platinum (Pty) Ltd, Phokathaba Platinum (Pty) Ltd, Limpopo Platinum Holdings (Pty) Ltd, Stella Platinum Mining (Mauritius), Smokey Hills Platinum Mining (Mauritius) and Rivers Platinum Mining (Mauritius), is South African Rand (ZAR).

As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of Platinum Australia Limited at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(o) Investment in Associate

The Group's investment in its associates are accounted for using the equity method of accounting in the consolidated financial statements.

The associates are entities in which the Group has significant influence and which are neither a subsidiary nor a joint venture.

Under the equity method, the investment in these associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associates.

Where there has been a change recognised directly in the associates' equity, the Group recognises its share of any changes and discloses this in the consolidated statement of recognised income and expense.

The reporting dates of the associates and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

(p) Interest in a jointly controlled operation

The Group has interests in joint ventures that are jointly controlled operations. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The Group recognises its interest in the jointly controlled operation by recognising the assets that it controls and the liabilities that it incurs. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the jointly controlled operation.

Notes to the Financial Statements

for the year ended 30 June 2009

Note 1: Statement of Significant Accounting Policies (continued)

(q) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

Platinum Australia Limited and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

Platinum Australia Limited recognises both its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated group.

(r) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Notes to the Financial Statements

for the year ended 30 June 2009

Note 1: Statement of Significant Accounting Policies (continued)

(s) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is provided on all fixed assets so as to write off the assets progressively over their useful lives to the Group and is calculated using both the prime cost method and diminishing value method.

The principal depreciation rates used are as follows:

Mining plant and equipment		Units of Production basis over the life of the mine
Motor vehicles	20-22.5%	Prime Cost and Diminishing Value
Plant and equipment	20%	Prime Cost
All other assets	33%	Prime Cost

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Impairment losses are recognised in the income statement.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(t) Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Recoverable amount

Non-current financial assets measured using the cost basis were not carried at an amount above their recoverable amount, and when a carrying value exceeded this recoverable amount, the financial asset was written down to its recoverable amount.

Notes to the Financial Statements

for the year ended 30 June 2009

Note 1: Statement of Significant Accounting Policies (continued)

(u) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(v) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(w) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(x) Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

Notes to the Financial Statements

for the year ended 30 June 2009

Note 1: Statement of Significant Accounting Policies (continued)

(y) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

A liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to balance date. In assessing expected future payments, the Group has adopted the "shorthand" measurement technique referred to in AASB 1028 and based the provision on remuneration rates current as at balance date for all employees with five or more years of service. The directors believe that this method provides an estimate of the liability that is not materially different from the estimate that would be obtained by using the present value basis of measurement.

(z) Share-based payment transactions

The Group provides benefits to employees in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently in place an Employee Share Option Plan (ESOP), which provides benefits to directors and employees.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in Note 12.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Platinum Australia Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects;

- (i) the extent to which the vesting period has expired and
- (ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

The Group provides benefits to employees in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 5).

(aa) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(ab) Earnings per share

Basic earnings per share is calculated as net result attributable to members of the parent, adjusted to exclude any costs of servicing equity or loss, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net result or loss attributable to members of the parent, adjusted for:

- costs of servicing equity; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Notes to the Financial Statements

for the year ended 30 June 2009

Note 2: Revenues and Expenses

	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
(a) Revenue				
Sale of concentrate	8,256,749	-	-	-
Interest received	5,712,837	2,180,360	2,876,418	2,424,547
	<u>13,969,586</u>	<u>2,180,360</u>	<u>2,876,418</u>	<u>2,424,547</u>
(b) Other income				
Management fees	26,400	26,400	26,400	26,400
Employee wages recharged to joint venture partners and subsidiaries	1,380,113	682,508	2,157,023	1,650,502
Hedge contribution	2,476,193	-	-	-
Profit on sale of Equipment	974	-	-	-
	<u>3,883,680</u>	<u>708,908</u>	<u>2,183,423</u>	<u>1,676,902</u>
(c) Other expenses				
Auditor's remuneration				
- Audit and review of financial statements	206,135	89,860	96,640	29,065
ASX & AIM listing and maintenance fees	236,520	300,870	236,520	300,870
Conferences	43,606	84,313	41,872	84,072
Corporate investor relations expense	86,613	139,797	86,613	125,615
Corporate travel	307,032	446,216	301,939	412,202
Employee remuneration	3,247,228	2,431,727	1,780,502	1,566,913
Insurances	81,820	56,320	69,692	44,601
Network & database costs	63,103	120,224	44,625	63,472
Option premium write down	1,964,573	-	-	-
Mining related administration expenses	1,039,055	-	-	-
Other	327,505	648,175	604,860	375,763
	<u>7,603,190</u>	<u>4,317,502</u>	<u>3,263,263</u>	<u>3,002,573</u>

Note 3: Income Tax

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
The components of income tax benefit comprise:				
Current tax	1,497,328	7,228	-	-
Deferred tax	(6,348,698)	(713,236)	-	-
Effect of foreign currency translation	(301,727)	(117,556)	-	-
Income tax benefit recognised in profit or loss	(5,153,097)	(823,564)	-	-
The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:				
Accounting loss before income tax	(26,935,679)	(11,964,627)	(6,454,615)	(10,916,428)
Income tax benefit calculated at 30%	(8,080,704)	(3,589,388)	(1,936,385)	(3,274,928)
Non-deductible expenses	1,745,755	3,058,519	2,718,391	3,693,289
Other	329,432	-	(372,221)	-
Unrecognised tax losses	852,420	(292,695)	(409,785)	(418,361)
Income tax benefit	(5,153,097)	(823,564)	-	-
Deferred tax asset comprises:				
Assessed losses – Current year	6,348,698	144,553	-	-
Assessed losses – Prior years	200,376	21,426	-	-
Deferred exploration expenditure	660,672	547,257	-	-
Deferred tax asset on derivative financial instruments marked to market	-	1,855,438	-	-
Balance at 30 June 2009	7,209,746	2,568,674	-	-
Deferred tax liability comprises:				
Fair value adjustment on put options and forward contracts	6,490,228	-	-	-
Fair value adjustment on acquisition	12,124,481	6,828,629	-	-
Balance at 30 June 2009	18,614,709	6,828,629	-	-

The Group has unconfirmed carried forward income tax losses of approximately \$51,355,129 (2008: \$42,132,711) the benefit of which has not been brought to account as an asset in the financial statements.

Notes to the Financial Statements

for the year ended 30 June 2009

Note 3: Income Tax (continued)

Tax Consolidation

Platinum Australia Limited and its 100% owned Australian resident subsidiaries implemented the tax consolidation legislation from 1 July 2003. The accounting policy for the implementation of the tax consolidation legislation is set out in note 1(q).

The entities in the tax consolidated group entered into a tax sharing agreement on adoption of the tax consolidation legislation which, in the opinion of the directors, limits the joint and several liability of the controlled entities in the case of a default by the head entity, Platinum Australia Limited.

Platinum Australia and its controlled entities have entered into a tax funding agreement under which the 100% owned Australian resident subsidiaries compensate Platinum Australia Limited for all current tax payable assumed and are compensated by Platinum Australia Limited for any current tax receivable and deferred tax assets which relate to unused tax credits or unused tax losses that, under the tax consolidation legislation, are transferred to Platinum Australia Limited. These amounts are determined by reference to the amounts which are recognised in the financial statements of each entity in the tax consolidated group.

The amounts receivable/payable under the tax funding agreement are due on receipt of the funding advice from Platinum Australia Limited, which is issued as soon as practicable after the financial year end. Platinum Australia Limited may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. These amounts are recognised as current intercompany receivables or payables.

Note 4: Segment Reporting

Segment Information

The Group's primary segment reporting format is geographic, as the Group operates solely in the Platinum Group Metal exploration, development and mining industry.

Geographical segments

Although the Group's divisions are managed on a global basis they operate in two main geographical areas:

Australia

The home country of the parent entity.

Africa

Comprises operations carried on in South Africa and Mauritius.

Geographical segments – primary reporting

Year Ended 30 June 2009	Australia \$	Africa \$	Consolidated \$
Revenue	696,662	13,272,924	13,969,586
Total segment revenue	696,662	13,272,924	13,969,586
Loss from ordinary activities before Income Tax benefit	(3,089,823)	(23,845,856)	(26,935,679)
Income Tax benefit	-	5,153,097	5,153,097
Loss from ordinary activities after Income Tax benefit/ segment result	(3,089,823)	(18,692,759)	(21,782,582)
Assets			
Total assets/segment assets	5,689,758	183,805,512	189,495,270
Segment liabilities	584,986	94,914,564	95,499,550
Acquisitions of non-current assets	14,490	47,763,129	47,777,619
Non-cash expenses			
Depreciation and amortisation	49,279	6,049,808	6,099,087

Year Ended 30 June 2008	Australia \$	Africa \$	Consolidated \$
Revenue	1,026,315	1,154,045	2,180,360
Total segment revenue	1,026,315	1,154,045	2,180,360
Loss from ordinary activities before income tax benefit	(3,484,697)	(8,479,930)	(11,964,627)
Income tax benefit	-	823,564	823,564
Loss from ordinary activities after income tax benefit/ segment result	(3,484,697)	(7,656,366)	(11,141,063)
Assets			
Total assets/segment assets	30,185,455	96,155,102	126,340,557
Segment liabilities	404,185	58,972,336	59,376,521
Acquisitions of non-current assets	113,685	30,432,890	30,546,575
Non-cash expenses			
Depreciation and amortisation	42,778	87,168	129,946

Notes to the Financial Statements

for the year ended 30 June 2009

Note 5: Loss Per Share

	Consolidated	
	2009	2008
	Cents per share	Cents per share
<i>Basic loss per share:</i>	(6.4)	(5.3)
<i>Basic loss per share</i>	\$	\$
The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:		
Loss (refer (i))	(14,847,887)	(11,141,063)
Weighted average number of ordinary shares for the purposes of basic loss per share	230,932,791	208,551,631
(i) Loss used in the calculation of total basic loss per share reconciles to net loss in the income statement as follows:		
Net loss	(21,782,582)	(11,141,063)
Losses attributable to minority shareholders	6,934,695	-
Loss used in the calculation of basic loss per share	(14,847,887)	(11,141,063)

Diluted loss per share

Diluted earnings per share has not been disclosed as it is not materially different from the basic earnings per share.

Note 6: Cash and Cash Equivalents

	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
Cash at bank and on hand	1,612,160	1,133,132	29,803	98,931
Short-term deposits (b)	5,683,401	40,246,027	5,381,364	20,668,005
	7,295,561	41,379,159	5,411,167	20,766,936

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Long-term deposits are made for periods between 3 months and 1 year, earning interest at the respective long-term rates. As they mature they are reinvested according to the cash requirements of the Group into further short-term and long-term deposits.

(a) Reconciliation to Cash Flow Statement

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the Cash Flow Statement are reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents	7,295,561	41,379,159	5,411,167	20,766,936
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(b) Cash balances not available for use

Included in this balance is an amount of \$116,500 (2008: \$116,500) which is used as security for Department of Industry and Resources performance bonds amounting to \$116,500 (2008: \$116,500). A further \$nil (2008: \$3,264,603) is on deposit with Standard Bank of South Africa as a project over-run facility and can only be used for this purpose until either used or released on completion of the Smokey Hills PGM project. Cash of \$1,509,559 (2008: \$16,357,008) held in the Phokathaba Platinum (Pty) Ltd bank account can only be used for the development of the Smokey Hills PGM Project.

Notes to the Financial Statements

for the year ended 30 June 2009

Note 6: Cash and Cash Equivalents (continued)

	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
(c) Reconciliation of loss for the year to net cash flows from operating activities				
Loss for the year	(21,782,582)	(11,141,063)	(6,454,615)	(10,916,428)
Depreciation and amortisation	6,099,087	129,946	49,279	42,778
Income tax benefit	(5,153,097)	(823,564)	-	-
Impairment of loan to subsidiaries	-	-	7,427,265	10,443,178
Impairment of loan to associated entity	23,624	37,152	23,624	37,152
Option premium write down	1,964,573	-	-	-
				-
Non-cash exploration expenditure	-	300,000	-	-
				-
Development expenses	3,017,115	-	-	-
				-
Non-cash expenditure	4,379,773	-	-	-
Employee options	709,047	1,451,828	709,047	1,451,828
Non-cash income	(5,423,825)	-	(1,097,670)	(1,424,688)
Recharges to subsidiaries	-	-	(2,157,023)	(1,060,108)
<i>Change in net assets and liabilities, net of effects from acquisition and disposal of businesses: (Increase)/decrease in assets:</i>				
Current receivables	(2,637,816)	(1,421,333)	(1,015,169)	92,199
Inventories	(6,525,696)	-	-	-
<i>Increase/(decrease) in liabilities:</i>				
Current payables	6,546,351	1,622,905	5,783	(3,882)
Other current liabilities	1,790,988	56,253	209,213	1,634
Non-current provisions	1,120,886	30,277	(87,834)	114,097
Net cash from operating activities	(15,871,572)	(9,757,599)	(2,388,100)	(1,222,240)

Note 7: Receivables

	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
<i>Current</i>				
Other receivables & prepayments	5,411,969	2,774,153	1,344,231	329,062
<i>Non-Current</i>				
Loan to subsidiaries	-	-	105,916,906	70,620,308
Less accumulated impairment	-	-	(40,355,193)	(32,927,928)
	-	-	65,561,713	37,692,380
Loan to associated entity	265,914	187,837	218,534	187,837
Less accumulated impairment	(211,462)	(187,837)	(211,462)	(187,837)
	54,452	-	7,072	-
Loans to Joint Venture Participants	90,577	8,909,110	-	-
Loans to Smokey Hills Project participant	12,426,369	-	-	-
Less accumulated impairment	-	-	-	-
	12,516,946	8,909,110	-	-
	12,571,398	8,909,110	65,568,785	37,692,380

An impairment loss has been recognised against the loans to subsidiaries and the associated entity on the basis that these entities have incurred losses during the year and it is considered prudent to provide for the possibility of these loans not being recoverable. The impairment loss on the loans to subsidiaries has been eliminated on consolidation.

Loans to subsidiaries of \$23,299,974 (2008:\$16,467,454) have been subordinated in favour of other creditors, until such time as the assets of those subsidiaries exceed their liabilities.

Notes to the Financial Statements

for the year ended 30 June 2009

Note 8: Inventories

	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
<i>Inventories</i>				
Ore Stockpile	1,452,779	-	-	-
Over burden costs relating to ore stockpile	4,431,755	-	-	-
Consumables & strategic spares	641,162	-	-	-
	6,525,696	-	-	-

Note 9: Other Financial Assets

Current

Purchased Platinum and Palladium Forward contracts	2,645,711	-	-	-
Purchased Platinum and Palladium Put Option contracts	3,965,133	1,354,450	-	-
	6,610,844	1,354,450	-	-

Non-Current

Purchased Platinum and Palladium forward contracts	17,054,873	-	-	-
Purchased Platinum and Palladium Put Option contracts	-	2,161,283	-	-
Shares in subsidiaries - at cost (i)	-	-	24,657,210	24,657,210
Less: Accumulated impairment	-	-	(922,899)	(922,899)
	17,054,873	2,161,283	23,734,311	23,734,311

An impairment loss has been recognised against the investment in subsidiaries on the basis that these entities have incurred losses during the year and it is considered prudent to provide for the possibility of these investments not being recoverable.

(i) Subsidiaries

	Country of Incorporation	2009 % Holding	2008 % Holding
Subsidiaries of			
<i>Platinum Australia Limited:</i>			
Platinum Exploration NL	Australia	100	100
Platinum Australia SA (Pty) Ltd	South Africa	100	100
Rivers Platinum Mining (Mauritius)	Mauritius	100	100
Smokey Hills Platinum Mining (Mauritius)	Mauritius	100	100
Stella Platinum Mining (Mauritius)	Mauritius	100	100
Platinum Rivers Project (Pty) Ltd	South Africa	100	100
Stella Platinum (Pty) Ltd	South Africa	100	100
EL Platinum (Pty) Ltd	South Africa	100	100
Smokey Hills Platinum (Pty) Ltd	South Africa	73.75	73.75
Phokathaba Platinum (Pty) Ltd	South Africa	65.75	65.75
Limpopo Platinum Holdings (Pty) Ltd	South Africa	45	45

All subsidiaries are owned by Platinum Australia Limited except Platinum Rivers Project (Pty) Ltd, which is owned by Rivers Platinum Mining (Mauritius), Stella Platinum (Pty) Ltd which is owned by Stella Platinum Mining (Mauritius), EL Platinum (Pty) Ltd, which is owned by Smokey Hills Platinum Mining (Mauritius), Smokey Hills Platinum (Pty) Ltd and Limpopo Platinum Holdings (Pty) Ltd which are owned by EL Platinum (Pty) Ltd and Phokathaba Platinum (Pty) Ltd which is owned by Smokey Hills Platinum (Pty) Ltd.

Note 10: Development Costs Capitalised

	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
Costs carried forward in respect of:				
Development phase – at cost				
Tenement acquisition during development	44,861,160	40,756,803	-	-
- Less amortisation	(1,932,351)	-	-	-
Expenditure incurred	989,429	989,429	-	-
- Less amortisation	(40,021)	-	-	-
Rehabilitation provision capitalised	1,800,624	1,800,624	-	-
- Less amortisation	(135,227)	-	-	-
Exchange differences	693,494	(7,029,108)	-	-
Total development expenditure	46,237,108	36,517,748	-	-

The recoupment of costs carried forward in relation to areas of interest in the development phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Where commercial production in an area of interest has commenced, the associated costs are amortised over the estimated economic life of the mine on a units-of-production basis.

Notes to the Financial Statements

for the year ended 30 June 2009

Note 11: Property, Plant and Equipment

	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
Plant, equipment, vehicles and furniture - cost	85,224,175	31,225,776	674,208	659,718
Less: Accumulated depreciation	(4,646,100)	(549,796)	(573,088)	(523,808)
Total Property Plant & Equipment	80,578,075	30,675,980	101,120	135,910

Reconciliation:	Mining Plant & Infrastructure	Motor Vehicles	Plant & Equipment	Office Furniture	Total
	\$	\$	\$	\$	\$
2009					
Opening written down value	30,188,736	196,878	265,475	24,891	30,675,980
Additions	47,594,261	112,766	62,906	7,686	47,777,619
Disposals/transfers	-	-	-	(2,715)	(2,715)
Depreciation	(3,792,534)	(78,789)	(100,805)	(16,540)	(3,988,668)
Exchange differences	6,050,484	34,712	28,408	2,255	6,115,859
Closing written down value	80,040,947	265,567	255,984	15,577	80,578,075
2008					
Opening written down value	-	126,428	125,596	45,552	297,576
Additions	30,188,736	133,066	221,068	3,705	30,546,575
Disposals	-	-	-	(626)	(626)
Depreciation	-	(44,523)	(64,615)	(20,808)	(129,946)
Exchange differences	-	(18,093)	(16,574)	(2,932)	(37,599)
Closing written down value	30,188,736	196,878	265,475	24,891	30,675,980

Including in mining plant and infrastructure are capitalised borrowing costs as follows:

	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
Borrowing costs incurred	4,544,814	1,633,482	-	-
Investment revenue earned on borrowed funds	(499,817)	(421,237)	-	-
Borrowing costs capitalised	4,044,997	1,212,245	-	-

The interest rate on the capitalised interest was 10.97%

Note 12: Share Based Payment Plans

Employee Share Option Plan

Options are granted under the Company Employee Share Option Plan for no consideration. Options are granted for a period of 3 to 5 years and entitlements to the options are vested as soon as performance conditions have been met. Options are exercisable in defined tranches with conditions attaching to each tranche to reflect the Company's development strategy and align the interests of Directors and executives to those of shareholders.

The expense recognised in the income statement in relation to share based payments amounts to \$709,047 (2008: \$1,451,828). The amount assessed at fair value at grant date of the options is allocated equally over the period from grant date to vesting date. Fair values at grant date are independently determined using the Binomial Tree Model method of valuation that takes into account the exercise price, the terms of the option, the vesting and market related criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and the risk of the underlying share and the risk free interest rate for the term of the option.

The following table illustrates the number and weighted average exercise price of, and movements in, share options issued during the year:

	2009 Number	2009 Weighted average exercise price (cents)	2008 Number	2008 Weighted average exercise price (cents)
Outstanding at the beginning of the year	10,965,000	69.69	11,510,000	68.58
Granted during the year	565,000	225.44	-	-
Exercised during the year	(20,000)	22.50	(445,000)	34.38
Expired or cancelled during the year	(215,000)	129.10	(100,000)	83.00
Outstanding at the end of the year	<u>11,295,000</u>	<u>81.52</u>	<u>10,965,000</u>	<u>69.69</u>

The outstanding balance as at 30 June 2008 is represented by:

- 3,400,000 options over ordinary shares with an exercise price of 35 cents each, all of which had vested at 30 June 2009, exercisable by 10 December 2009;
- 2,500,000 options over ordinary shares with an exercise price of 20 cents each, all of which had vested at 30 June 2009, exercisable by 11 December 2009;
- 530,000 options over ordinary shares with an exercise price of 37 cents each, 180,000 of which had vested at 30 June 2009, exercisable by 30 November 2009;
- 400,000 options over ordinary shares with an exercise price of 70 cents each, 200,000 of which had vested at 30 June 2009, exercisable by 30 June 2010;
- 3,000,000 options over ordinary shares with an exercise price of \$1.25 each, none of which had vested at 30 June 2009, exercisable by 21 December 2011;
- 100,000 options over ordinary shares with an exercise price of \$1.29 each, 20,000 of which had vested at 30 June 2009, exercisable by 6 March 2011;

Notes to the Financial Statements for the year ended 30 June 2009

Note 12: Share Based Payment Plans (continued)

- 900,000 options over ordinary shares with an exercise price of \$1.74 each, 350,000 of which had vested at 30 June 2009, exercisable by 30 June 2011;
- 250,000 options over ordinary shares with an exercise price of \$2.11 each, 20,000 of which had vested at 30 June 2009, exercisable by 31 July 2012;
- 115,000 options over ordinary shares with an exercise price of \$2.35 each, 45,000 of which had vested at 30 June 2009, exercisable by 31 July 2012;
- 100,000 options over ordinary shares with an exercise price of \$2.41 each, 20,000 of which had vested at 30 June 2009.

The following table lists the inputs to the model used for the years ended 30 June 2008 and 30 June 2009:

	2009	2008
Volatility (%)	55.31 - 62.16%	-
Risk-free interest rate (%)	6.338 - 6.528%	-
Expected life of option (years)	4yrs	-
Exercise price (cents)	\$2.11 - \$2.41	-
Weighted average share price at grant date (cents)	\$2.28	-

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

The fair value of the cash-settled options is measured at the grant date using the Binomial Tree option pricing model taking into account the terms and conditions upon which the instruments were granted. The services received and a liability to pay for those services are recognised over the expected vesting period. Until the liability is settled it is re-measured at each reporting date with changes in fair value recognised in profit or loss.

Note 13: Provisions

	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
Current				
Annual leave	384,312	266,752	233,728	207,844
Long service leave	183,329	-	183,329	-
	567,641	266,752	417,057	207,844
Non-Current				
Environmental rehabilitation				
Long service leave	3,030,757	1,800,624	-	-
	-	84,729	-	84,729
	3,030,757	1,885,353	-	84,729
Total Provisions	3,598,398	2,152,105	417,057	292,573

The number of employees of the Group at balance date was 29 (2008:45).

Note 14: Interest Bearing Liabilities

	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
Current				
Bank Loan - secured	8,917,676	-	-	-
Non-Current				
Bank Loan - secured	44,925,573	31,201,466	-	-
Amount payable to non-group project participant	920,101	655,480	-	-
	45,845,674	31,856,946	-	-
	54,763,350	31,856,946	-	-

Standard Bank of South Africa Limited has provided a project loan in relation to the development of the Smokey Hills PGM mine and related plant. The approved amount of this loan totalled R332,000,000, \$52,338,688 (2008: R260,000,000 (\$33,951,866)) plus capitalised interest, at balance date, of which R53,181,168, \$8,383,833 (2008: R41,000,000 (\$5,353,948)) was undrawn. The Bank has also provided a Hedging Facility in relation to the project. All amounts owing to Standard Bank of South Africa Limited are secured by a charge over the Mining Right and all other assets of Phokathaba Platinum (Pty) Ltd, the owner of the project. The parent entity has also provided an undertaking to Standard Bank of South Africa Limited that if necessary it will provide technical and financial support to ensure that the project is completed.

Notes to the Financial Statements for the year ended 30 June 2009

Note 14: Interest Bearing Liabilities (continued)

Interest on the project loan accrues at the Johannesburg interbank acceptance rate plus 2.5% prior to technical and financial completion and at the Johannesburg interbank acceptance rate plus 1.75% thereafter. Repayments on the loans commence in 2010.

On 31 July 2009 a part payment of R200,000,000 was made against the Standard Bank facility from the proceeds of closure of the related hedge book (R125,957,578) and cash available from the proceeds of a share placement received in July 2009 (R74,042,422). The balance of the Standard Bank facility was retired on 11 September 2009, as disclosed in note 22.

Note 15: Derivative Financial Instruments

	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
Derivative financial instruments designated and effective as hedge instruments carried at fair value	23,665,717	(8,027,680)	-	-

The Group enters into various derivative financial instruments to hedge part of its future platinum and palladium production as part of the conditions of the financing of the Smokey Hills PGM project.

Any liability arising out of these derivative financial instruments is secured to Standard Bank of South Africa Limited, as part of the security noted in note 14 above.

At balance date, the details of outstanding platinum and palladium forward and option contracts are:

Maturity	Quantity hedged Ounces		Average Price Rand/Ounce	
	2009	2008	2009	2008
Platinum purchased put options				
2009	-	2,521	-	14,500
2010	2,407	2,407	14,500	14,500
Palladium purchased put options				
2009	-	2,593	-	4,000
2010	2,614	2,614	4,000	4,000
Forward platinum contracts				
2010	3,117	3,117	16,338	16,338
2011	6,447	6,447	16,162	16,162
2012	6,972	6,972	15,427	15,427
2013	5,496	5,496	14,819	14,819

Maturity	Quantity hedged Ounces		Average Price Rand/Ounce	
	2009	2008	2009	2008
Forward palladium contracts				
2010	3,369	3,369	4,046	4,046
2011	6,972	6,972	4,254	4,254
2012	7,578	7,578	4,498	4,498
2013	6,009	6,009	4,697	4,697

For further details on the Group’s derivative financial instruments and policies relating to them, please refer to note 1(k) and note 17. All the Group’s Platinum and Palladium hedge contracts were closed on 31 July 2009 and the proceeds utilised to reduce the Standard Bank debt, as disclosed in note 22.

Note 16: Contributed Equity and Reserves

Issued capital:	Parent	
	2009	2008
	\$	\$
252,418,348 ordinary fully paid shares (2008: 220,065,523 ordinary shares)	142,442,989	123,321,128
<i>Movements during the Year</i>		
	No. of Shares	\$
Balance at 30 June 2007	200,220,523	80,057,184
Placements	19,300,000	44,356,000
Purchase payments	100,000	300,000
Unlisted options conversions	445,000	153,025
Share issue costs	-	(1,756,997)
Transfer on exercise of options	-	211,916
Balance at 30 June 2008	220,065,523	123,321,128
Placements	32,332,827	20,019,484
Unlisted options conversions	20,000	4,500
Share issue costs	-	(904,563)
Transfer on exercise of options	-	2,440
Balance at 30 June 2009	252,418,350	142,442,989

Terms and Conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders’ meetings.

In the event of winding up of the parent entity, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

Notes to the Financial Statements

for the year ended 30 June 2009

Note 16: Contributed Equity and Reserves (continued)

Reserves:

Consolidated

	Equity Benefits Reserve \$	Foreign Currency Translation Reserve \$	Hedge Accounting Reserve \$	Minority Contribution Reserve \$	Total \$
At 30 June 2007	1,533,832	(1,986,746)	-	-	(452,914)
Currency translation differences	-	(9,667,958)	-	-	(9,667,958)
Share based payments	1,451,828	-	-	-	1,451,828
Transferred to contributed equity	(211,916)	-	-	-	(211,916)
Mark to market adjustment	-	-	(3,137,015)	-	(3,137,015)
Equity contribution by minority shareholders	-	-	-	5,749,226	5,749,226
At 30 June 2008	2,773,744	(11,654,704)	(3,137,015)	5,749,226	(6,268,749)
Currency translation differences	-	6,989,385	-	-	6,989,385
Share based payments	709,047	-	-	-	709,047
Transferred to contributed equity	(2,440)	-	-	-	(2,440)
Mark to market adjustment	-	-	14,760,258	-	14,760,258
At 30 June 2009	3,480,351	(4,665,319)	11,623,243	5,749,226	16,187,501

Parent

	Equity Benefits Reserve \$	Foreign Currency Translation Reserve \$	Hedge Accounting Reserve \$	Minority Contribution Reserve \$	Total \$
At 30 June 2007	1,533,832	-	-	-	1,533,832
Share based payments	1,451,828	-	-	-	1,451,828
Transferred to contributed equity	(211,916)	-	-	-	(211,916)
At 30 June 2008	2,773,744	-	-	-	2,773,744
Share based payments	709,047	-	-	-	709,047
Transferred to contributed equity	(2,440)	-	-	-	(2,440)
At 30 June 2009	3,480,351	-	-	-	3,480,351

Employee equity benefits reserve

This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. Refer to Note 12 for further details of these plans. The Directors' Report also provides further information on Shares under Option and details of the performance conditions, please refer to notes 9-11 in the Directors' Report.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Hedge Accounting Reserve

The reserve records the portion of the gain or loss on hedging instruments in cash flow hedges that are determined to be effective hedges.

Minority Contribution Reserve

The reserve records the parent entity's share of the equity contribution by minority shareholders.

Minority Interests:

	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
<i>Interest in:</i>				
Share Capital	(2,470,892)	-	-	-
Accumulated losses	(3,391,451)	-	-	-
Reserves	5,716,036	-	-	-
	(146,307)	-	-	-

Options:

The Company has on issue 11,295,000 options (2008:10,965,000). All options are issued to employees under the Company's Employee Share Option Plan. Refer to note 12 for further details.

Note 17: Financial Instrument Disclosures

(a) Capital Risk Management:

The Group's total capital is defined as Platinum Australia Limited's shareholders' funds plus amounts attributable to outside equity shareholders plus net debt.

The Group's over-riding objectives when managing capital are to safeguard the business as a going concern and maximise returns to shareholders. The group constantly reviews funding requirements for exploration, project development, working capital and possible acquisitions.

The borrowings of the Group are currently project specific to the development of the Smokey Hills PGM project with the main financial covenants relating to actual and projected project cash flows.

(b) Categories of financial instruments:

Financial assets	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
Derivative instruments in designated hedge relationships	23,665,717	3,515,733	-	-
Held to maturity investments	-	-	23,734,311	23,734,311
Cash and deposits	7,295,561	41,379,159	5,411,167	20,766,936
Loans receivable	12,571,398	8,909,110	65,568,785	37,692,380
Receivables	5,411,969	2,774,153	1,344,231	329,062
	48,944,645	56,578,155	96,058,494	82,522,689

Notes to the Financial Statements for the year ended 30 June 2009

Note 17: Financial Instrument Disclosures (continued)

(b) Categories of financial instruments:

Financial liabilities at amortised cost	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
Derivative instruments in designated hedge relationships	-	8,027,680	-	-
Loans payable	54,763,350	31,856,946	-	-
Trade creditors and accruals	17,025,765	10,503,933	167,929	165,251
	<u>71,789,115</u>	<u>50,388,559</u>	<u>167,929</u>	<u>165,251</u>

(c) Financial risk management objectives

The Group is exposed to market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group monitors and manages those risks with the use of appropriate derivative financial instruments to hedge those risk exposures, when deemed appropriate, within written policies and principles approved by the board of directors. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(d) Market risk

The Group's activities expose it primarily to financial risks of changes in foreign currency exchange rates, commodity prices and interest rates. The Group enters into a variety of derivative financial instruments to manage its exposure to commodity price risk including bought options and forward exchange contracts to hedge the commodity price risk on its production.

In the prior period the group had no direct exposure to commodity price risk or interest rate risk as the development of the Smokey Hills PGM project (and related borrowings) had not commenced.

Scenarios are run for major interest bearing positions, based on debt outstanding at 30 June 2009. Based on simulations run, the impact on annual post tax profit and shareholders' equity of a 2% base points shift in interest rates would be a maximum increase or decrease of \$788,592 (2008: \$458,740). These balances will not remain consistent and therefore these numbers should be used with care.

Scenarios are run on the impact on the mark to market of commodity derivatives on hand at 30 June 2009, used to hedge the price risk of the Group's future production. A 10% increase in the palladium price, with all other variables held constant, would result in a decrease in equity of \$576,715 (2008: \$849,388) and a 10% increase in the platinum price would result in a decrease in equity of \$2,483,991 (2008: \$2,866,196).

(e) Foreign currency risk management

The Group undertakes certain transactions in foreign currencies, hence exposures to exchange rate fluctuations arise.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	Liabilities		Assets	
	2009 \$	2008 \$	2009 \$	2008 \$
South African Rand	71,621,186	49,738,790	42,189,247	35,474,578
US Dollars	-	271,857	-	-
Euro	-	212,721	-	-
	71,621,186	50,223,368	42,189,247	35,474,578

The following table shows the Group's sensitivity to a 10% increase and decrease in the Australian Dollar against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in equity where the Australian Dollar strengthens against the respective currency, for a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on equity.

	Consolidated		Company	
	2009 \$	2008 \$	2009 \$	2008 \$
South African Rand	1,926,454	933,657	-	-
US Dollars	-	17,803	-	-
Euro	-	15,164	-	-

(f) Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds currently all at floating interest rates. The Group constantly reviews its exposure to interest rate risk with a view to fixing portions of the exposure as deemed appropriate in line with policies set by the board of directors.

The Group's exposure and sensitivity to interest rates on its financial assets and liabilities are detailed in (d) above.

(g) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group considers public data to consider the counterparties it deals with and continuously monitors such data.

The Group's major credit exposures are to its bankers all of which have high credit ratings assigned by international credit rating agencies. The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Notes to the Financial Statements

for the year ended 30 June 2009

Note 17: Financial Instrument Disclosures (continued)

(h) Liquidity risk management

The Group monitors its short, medium and long term liquidity requirements on an ongoing basis. Borrowings are currently project specific and maturity profiles are carefully matched to forecast project cashflows, with an adequate margin being maintained between projected cashflows and debt service requirements.

Liquidity and interest rate risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date the Group can be required to pay. The table includes both interest and principal cash flows.

Consolidated	Weighted Average Effective Interest Rate %	1 Year Or Less	1 To 5 Years	More Than 5 Years
2009				
Non-interest bearing		16,966,593	59,173	-
Variable interest rate	10.97	8,917,676	44,925,573	1,601,849
		25,884,269	44,984,746	1,601,849
2008				
Non-interest bearing		10,420,243	83,690	-
Variable interest rate	15.10	-	50,716,699	1,324,145
		10,420,243	50,800,389	1,324,145
Parent				
Parent	Weighted Average Effective Interest Rate %	1 Year Or Less	1 To 5 Years	More Than 5 Years
2009				
Non-interest bearing		163,134	4,795	-
Variable interest rate	-	-	-	-
		163,134	4,795	-
2008				
Non-interest bearing		157,351	7,900	-
Variable interest rate	-	-	-	-
		157,351	7,900	-

The following table details the Company's and Group's expected maturity for its non- derivative financial assets. These have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company/Group anticipates that cash flow will occur in a different period.

Consolidated	Weighted Average Effective Interest Rate %	1 Year Or Less	1 To 5 Years	More Than 5 Years
2009				
Non-interest bearing		7,169,098	-	-
Variable interest instruments	3.17	5,698,187	-	21,633,677
		<u>12,867,285</u>	<u>-</u>	<u>21,633,677</u>
2008				
Non-interest bearing		3,907,285	-	-
Variable interest instruments	10.5	40,550,000	-	17,997,448
		<u>44,457,285</u>	<u>-</u>	<u>17,997,448</u>
Parent				
	Weighted Average Effective Interest Rate %	1 Year Or Less	1 To 5 Years	More Than 5 Years
2009				
Non-interest bearing		1,381,105	-	-
Variable interest instruments	2.5	5,394,412	-	76,443,018
		<u>6,775,517</u>	<u>-</u>	<u>76,443,018</u>
2008				
Non-interest bearing		427,993	-	-
Variable interest instruments	7.2	20,790,291	-	53,485,993
		<u>21,218,284</u>	<u>-</u>	<u>53,485,993</u>

Notes to the Financial Statements

for the year ended 30 June 2009

Note 17: Financial Instrument Disclosures (continued)

Liquidity and interest rate risk tables (continued)

The following table details the Group's liquidity analysis for its derivative financial instruments. The table is based upon the undiscounted net cash inflows/(outflows) on the derivative instruments that settle on a net basis. When the amount payable or receivable is not fixed, the amount has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

Consolidated	1 Year Or Less	1 To 5 Years	More Than 5 Years
2009			
<u>Net Settled</u>			
Platinum and Palladium put options	2,645,712	-	-
Platinum and Palladium forward contracts	3,965,133	17,054,873	-
	<u>6,610,845</u>	<u>17,054,873</u>	<u>-</u>
2008			
<u>Net Settled</u>			
Platinum and Palladium put options	640,609	760,508	-
Platinum and Palladium forward contracts	-	(8,027,680)	-
	<u>640,609</u>	<u>(7,267,172)</u>	<u>-</u>

No derivative financial instruments were held by the Parent Company in 2009 or 2008.

(i) Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The fair value of other financial assets and liabilities (excluding derivative financial instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions. The fair value of derivative instruments are calculated using quoted prices. Where such prices are not available use is made of a discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models for optional derivatives.

The fair value of financial guarantee contracts is determined using option pricing models where the main assumptions are the probability of default by the specified counterparty extrapolated from market-based credit information and the amount of loss, given the default.

Derivatives

Commodity price forward contracts are measured using quoted forward commodity prices and yield curves derived from quoted interest rates matching maturities of the contracts.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values.

Note 18: Commitments and Contingencies

Commitments

There are no outstanding commitments not provided for in the financial statements of the Group as at 30 June 2009 other than:

(a) Capital commitments;

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows;

<i>Mining Property</i>	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
Payable within one year	5,370,221	13,560,606	-	-
Later than one year but not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
	5,370,221	13,560,606	-	-

(b) In order to maintain rights of tenure, the Group is committed to outlay an aggregate amount of approximately \$335,300 in 2009/2010, (2008/2009: \$382,846) for mining tenement rentals and shire rates and to meet the statutory minimum expenditure conditions applying to its tenements. Expenditure commitments for the ensuing year and beyond 2009/2010 will vary according to whether:

- (i) any of the existing tenements are relinquished or converted to other forms of title;
- (ii) any of the existing tenements are farmed out;
- (iii) new tenements are acquired; and
- (iv) total or partial exemption from expenditure commitments is applied for and granted in respect to individual tenements.

(c) Leases

(i) Operating Leases

Commitments for minimum lease payments in relation to non-cancellable operating Leases (rental of premises) are payable as follows:	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
Within one year	151,881	184,604	135,097	112,156
Later than one year but not later than 5 years	270,194	586,857	270,194	572,251
Later than 5 years	-	180,469	-	180,469
	422,075	951,930	405,291	864,876

Notes to the Financial Statements for the year ended 30 June 2009

Note 18: Commitments and Contingencies (continued)

(c) Leases (continued)

(ii) Finance Leases

The Group has vehicles under finance lease with a carrying value of \$98,898 (2008: \$124,136) expiring within 5 years. Under the terms of the leases, the Group has the option to acquire the leased assets for the residual balance of the cost of the asset.

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Commitments for minimum lease payments in relation finance leases are payable as follows:				
Within one year	38,222	44,323	3,415	3,415
Later than one year but not later than 5 years	59,173	80,586	4,795	7,900
Later than 5 years	-	-	-	-
	97,395	124,909	8,210	11,315

Contingencies

(a) Native Title Claims

Legislative developments and judicial decisions (in particular the uncertainty created in the area of Native Title rights by the High Court's decisions in the "Mabo", "Wik" and "Miriuwung-Gajerrong" cases and native title legislation) may have an adverse impact on the Group's exploration and production activities and its ability to fund those activities. It is impossible at this stage to quantify the impact (if any) which these developments may have on the Group's operations.

The Company is aware of native title claims in respect of areas in which the Group currently has an interest. It is possible that further claims could be made in the future. However, the Company cannot determine whether any current or future claims, if made, will succeed and if so, what the implications would be for the Group. In the case of the Panton Project, however, as these leases were granted prior to January 1994 there are no native title implications.

(b) Performance Bonds

As disclosed in Note 6(b) the Group has provided performance bonds amounting to \$116,500 (2008: \$116,500) to the Department of Industry and Resources in respect of compliance with environmental conditions in relation to certain tenements.

Note 19: Joint Ventures

At 30 June 2009 the Group has interests in unincorporated joint ventures as follows:

Joint Venture	Percentage Interest	Principal Activities
Melville	25%	Mineral Exploration - Carried interest
Kalplats	0%	Mineral Exploration - Earning in 12-49%
Kalplats Area of Influence	50%	Mineral Exploration - Participation and Manager

There are no assets held in these joint ventures.

Note 20: Interest In Associate

Name: PlatTech Pty Ltd
 Balance date: 30 June
 Ownership interest held by parent entity: 50%
 Principal Activity: The associated company holds the intellectual property rights subsisting in the Leachate Process.

Name: Stellex Platinum (Pty) Ltd
 Balance date: 30 June
 Ownership interest held by parent entity: 49%
 Principal Activity: The associated company explores for platinum group metals in the North Western Province of South Africa.

Note 21: Related Party Disclosures

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Directors and Specified Executives

Disclosures relating to Directors and Specified Executives are set out in the Directors' Report under the section titled Remuneration Report.

Subsidiaries

The ultimate parent entity in the Group is Platinum Australia Limited.

Notes to the Financial Statements for the year ended 30 June 2009

Note 22: Events After The Balance Sheet Date

On 28th May 2009, the Company announced a placement of 60,000,000 fully paid shares at an issue price of \$1.02. The issue of 54,667,173 of these were subject to shareholders' approval at a General Meeting which was held on 6 July and approved the placement.

24,667,173 of these shares were issued on 13 July 2009. The balance of 30,000,000 shares being placed with a Chinese investor is pending Chinese regulatory approvals.

Following the approval of the placement at the General Meeting on 6 July 2009, the Company's subsidiary, Phokathaba Platinum (Pty) Ltd gave notice to Standard Bank of its intention to retire its project financing facility and close all of its hedging contracts.

On 31 July 2009, the hedge contracts were closed, realising R125,957,578. The proceeds from the closure of the hedge contracts together with cash of R74,042,422 were utilised to make a part payment to Standard Bank of R200,000,000.

On 21 August 2009, the Company announced that it had signed a Committed Letter of Offer for a Bridge Facility (the Facility) of \$15,000,000 from Macquarie Bank Limited. The Facility is repayable in full by 31 August, 2011, with no penalty for early repayment and carries an interest rate of 8% per annum and a Facility Fee of 1.75%. As part of the Facility, the Company issued Macquarie Bank with 1,428,571 options over ordinary shares exercisable at \$1.05. Additional tranches of options over ordinary shares exercisable at \$1.05 will be issued to Macquarie Bank should the Facility not be repaid by the following dates:-

31 December 2009	1,428,571 options
31 March 2010	1,428,571 options
30 June 2010	1,428,571 options
30 September 2010	1,428,571 options

All options have an expiry date of 31 August 2011.

On 11 September 2009, the Company utilised the proceeds of the Facility together with cash resources to retire the balance of the Standard Bank Facility and release all securities held by Standard Bank of South Africa Limited.

Note 23: Auditors' Remuneration

The auditors of Platinum Australia Limited are HLB Mann Judd.

	Consolidated		Parent	
	2009 \$	2008 \$	2009 \$	2008 \$
<i>Amounts received or due and receivable by HLB Mann Judd for:</i>				
An audit or review of the financial report of the Company and any other entity in the Group	96,640	29,065	96,640	29,065
<i>Amounts received or due and receivable by other auditors for:</i>				
An audit or review of the financial report of subsidiaries	109,495	60,795	-	-
	<u>206,135</u>	<u>89,860</u>	<u>96,640</u>	<u>29,065</u>

Note 24: Key Management Personnel Disclosures

(a) Key Management Personnel compensation

The Company has transferred the detailed remuneration disclosures to the Directors' Report in accordance with Corporations Amendment Regulations 2006 (No. 4). These remuneration disclosures are provided in the Remuneration Report section of the Directors' Report under Details of Remuneration and are designated as audited.

(b) Shareholdings of Key Management Personnel

Directors	Balance 1.7.08	Net Change	Balance 30.6.09
Mr PD Allchurch	7,407,753	-	7,407,753
Mr JD Lewins	1,232,000	190,000	1,422,000
Mr MG Blakiston	1,004,167	-	1,004,167
Mr EE Hughes	425,000	-	425,000
Mr WA Hansen	-	-	-
	<u>10,068,920</u>	<u>190,000</u>	<u>10,258,920</u>

There were no shares held by other Key Management Personnel during the year.

Notes to the Financial Statements

for the year ended 30 June 2009

Note 24: Key Management Personnel Disclosures (continued)

(c) Option holdings of Key Management Personnel

Directors	Balance 1.7.08	Options Granted during the year as remuneration	Other changes during the year	Options Lapsed/ Sold	Balance 30.6.09	Vested and Exercisable 30.6.09
Mr PD Allchurch	1,850,000	-	-	-	1,850,000	1,850,000
Mr JD Lewins	6,850,000	-	-	-	6,850,000	3,850,000
Mr MG Blakiston	-	-	-	-	-	-
Mr EE Hughes	-	-	-	-	-	-
Mr WA Hansen	200,000	-	-	-	200,000	200,000
	8,900,000	-	-	-	8,900,000	5,900,000

Other Key Management Personnel

	Balance 1.7.08	Options Granted during the year as remuneration	Other changes during the year	Options Lapsed/ Sold	Balance 30.6.09	Vested and Exercisable 30.6.09
Mr DG Neill	650,000	-	-	-	650,000	300,000
Mr RA Wallis	460,000	-	-	(80,000)	380,000	80,000
Mr W Smart	200,000	-	-	-	200,000	100,000
	1,310,000	-	-	(80,000)	1,230,000	480,000

Directors' Declaration

1. In the opinion of the Directors:
 - a) the financial statements and notes of the Company and of the Group are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Company's and Group's financial position as at 30 June 2009 and of their performance for the year then ended; and
 - ii. complying with Accounting Standards and Corporations Regulations 2001; and
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2009.

This declaration is signed in accordance with a resolution of the Board of Directors.



JD LEWINS

Managing Director

Dated this 30th day of September 2009

Independent Auditor's Report



Accountants | Business and Financial Advisers

To the members of Platinum Australia Limited

Report on the Financial Report

We have audited the accompanying financial report of Platinum Australia Limited ("the company"), which comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity, cash flow statement and notes to the financial statements for the year ended on that date, and the directors' declaration for both the company and the consolidated entity as set out on pages 36 to 87. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 2 15 Rheola Street West Perth 6005 PO Box 263 West Perth 6872 Western Australia. Telephone +61 (08) 9481 0977. Fax +61 (08) 9481 3686.

Email: hlb@hlbwa.com.au. Website: <http://www.hlb.com.au>

Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of International, a world-wide organisation of accounting firms and business advisers

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion:

- (a) the financial report of Platinum Australia Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(c).

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 26 to 32 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Platinum Australia Limited for the year ended 30 June 2009 complies with section 300A of the Corporations Act 2001.



HLB MANN JUDD

Chartered Accountants



W M CLARK

Partner

Perth, Western Australia

30 September 2009

Schedule of Mining Tenements at 24 September 2009

Western Australia			
Tenement Type and Number	Project Name	Mineral	Ownership
M 80/103	Panton	PGM	100% Platinum Exploration NL
M 80/104	Panton	PGM	100% Platinum Exploration NL
M 80/105	Panton	PGM	100% Platinum Exploration NL
E 70/2729	Katanning	PGM	100% Platinum Australia Limited
M 59/282	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited, – Manager)
M 59/283	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited, – Manager)
M 59/284	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited, – Manager)
M 59/285	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited, – Manager)
M 59/322	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited, – Manager)
M 59/323	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited, – Manager)
M 59/324	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited, – Manager)
M 59/329	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited, – Manager)
M 59/408	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited, – Manager)
M 59/428	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited, – Manager)
M 59/429	Melville JV	Gold	25% PLA (75% Prosperity Resources Limited, – Manager)

Notes:

- E - Exploration Licence
- M - Mining Lease
- PGM - Platinum Group Metals
- PLA - Platinum Australia Limited

South Africa

Smokey Hills	Phokathaba Platinum (Pty) Ltd Mining Right reference # LP 30/5/1/2/2/69 MR Maandagshock 254 KT Mineral Area 4
Kalplats (Project Area)	African Rainbow Minerals Platinum (Pty) Ltd Prospecting Right reference # NW 30/5/1/1/2/748 PR
Kalplats (Area of Influence)	African Rainbow Minerals Platinum (Pty) Ltd Prospecting Right reference # NW30/5/1/1/2/1056PR
Stella North (Logageng)	Stellex Platinum (Pty) Ltd Prospecting Right Application reference # NW30/5/1/1/2/1787 PRJ2007/07/27/001

Shareholder Information

at 24 September 2009

Twenty Largest Shareholders	Number of Shares	%
Ordinary Shares		
National Nominees Limited	28,282,606	10.21
HSBC Custody Nominees (Australia) Limited	21,932,512	7.92
J P Morgan Nominees Australia Limited	15,942,974	5.75
Computershare Clearing Pty Ltd	11,996,338	4.33
Citicorp Nominees Pty Limited	8,278,589	2.99
ANZ Nominees Limited	7,712,262	2.78
Clausen Investments Pty Ltd	7,577,723	2.73
Macquarie Bank Limited	7,000,000	2.53
Citicorp Nominees Pty Limited	6,890,509	2.49
RBC Dexia investor Services Australia Nominees Pty Limited	5,649,127	2.04
MR Peter Adrian Vanderspuy	5,087,971	1.84
Citicorp Nominees Pty Limited	5,000,000	1.80
Merrill Lynch (Australia) Nominees Pty Limited	4,534,032	1.64
Cogent Nominees Pty Limited	4,238,514	1.53
RBC Dexia investor Services Australia Nominees Pty Limited	4,225,939	1.53
MR Peter Donald Allchurch	4,000,000	1.44
Cogent Nominees Pty Limited	3,317,921	1.20
Clausen Investments Pty Ltd	2,672,277	0.96
Haifa Pty Ltd*	2,500,001	0.90
Citicorp Nominees Pty Limited	2,472,846	0.89
Total	159,312,141	57.49

* Company associated with Mr P Allchurch

Distribution of Shareholdings	Number of Shareholders	Number of Shares Held
1 - 1,000	818	548,314
1,001 - 5000	1,965	5,962,865
5001 - 10,000	1,062	8,938,888
10,001 - 100,000	1,486	47,746,128
100,001 - Over	183	213,899,326
Total	5,514	277,095,521
Holding less than a marketable parcel	312	98,826

Shareholder Information

at 24 September 2009

Substantial Shareholders

Commonwealth Bank of Australia Limited

JB Morgan Chase & Co

Number of Shares

24,812,202 fully paid shares

26,132,805 fully paid shares

Voting Rights

Voting rights of members are governed by the Constitution. In summary, on a show of hands every member present in person or by proxy shall have one vote and in the event of a poll, every such member shall be entitled to one vote for each ordinary fully paid share held. Partly paid shares carry voting rights pro-rata to the amount paid up.

Glossary

AIM	Alternative Investment Market (London)
Aol	Kalplats "Area of Influence"
ASX	Australian Securities Exchange
Au	Gold
BEE	Black Economic Empowerment
BFS	Bankable Feasibility Study
BIC	Bushveld Igneous Complex
Cu	Copper
DFS	Definitive Feasibility Study
EPCM	Engineering, Procurement and Construction Management
ESOP	Employee Share Option Plan
g/t	Grams per tonne
Ir	Iridium
JORC	Joint Ore Reserves Committee
Kalplats	Kalahari PGM Project
LHD	Load Haul Dump machines
LM	Lower Main (Reef)
MM	Mid Main (Reef)
MR	Mid Reef
Mark to Market	Assigning a value to a position held in a financial instrument based on current market price for that instrument or similar instruments
Pd	Palladium
PGM	Platinum Group Metals
3E PGM	Platinum Group Metals including Platinum, Palladium & Gold
4E PGM	Platinum Group Metals including Platinum, Palladium, Gold and Rhodium
6E PGM	Platinum Group Metals including Platinum, Palladium, Gold, Rhodium, Ruthenium & Iridium
Pt	Platinum
PTP	Phokathaba Platinum (Pty) Ltd
RC	Reverse circulation drilling
Rh	Rhodium
Ru	Ruthenium
SAMREC	South African Mineral Resource Committee
SLI	Stella Layered Intrusion
Tpm	Tonnes per month
UG2	Upper Group 2
UM	Upper Main (Reef)

www.platinumaus.com

PLATINUM

AUSTRALIA

3rd Floor, 18 Richardson Street
West Perth Western Australia 6005
Telephone: +61 8 9324 1491
Facsimile: +61 8 9226 4258
Email: pla@platinumaus.com
ACN: 093 417 942