



PLATINUM AUSTRALIA LIMITED

ACN 093 417 942

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

PO Box 1083, West Perth
Western Australia 6872

Telephone: (08) 9324 1491
Facsimile: (08) 9226 4259

Email: mail@platinumaus.com
Website: www.platinumaus.com

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The Manager
Companies Announcements Office
Australian Stock Exchange Ltd
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear Madam,

THE "PANTON PROCESS" SUCCESSFUL ON SOUTH AFRICAN PLATINUM CONCENTRATES

Platinum Australia Limited ("PLA") is pleased to announce that initial testwork on the application of the "Panton Process"* to low grade platinum group metal ("PGM") concentrates from an undeveloped South African platinum deposit achieved comparable recoveries to those achieved on concentrates from the Panton Project.

The testwork was carried out in the course of PLA's on-going strategic evaluation of a number of South African operating or developing platinum projects, which could benefit from the application of the Panton Process.

Commenting on the results, PLA Executive Director John Lewins, said that the initial program of testwork was designed to determine how effective the Panton Process would be to the particular South African platinum project. Recoveries ranged from approximately 80% for platinum to over 95% for palladium and gold. All were significantly higher than standard flotation recoveries on the same material.

Mr Lewins said that he was confident that there was significant scope for further increasing recoveries, by simple optimisation of calcine and leach conditions.

"This is a new and exciting phase in the development of the "Panton Process" as the results achieved on this South African Project confirm our view that the process can be successfully applied to ores other than Panton."

***Panton Process - Background**

During the course of the recently completed Feasibility Study on the Panton Project, PLA in conjunction with Lonmin Plc, developed a new metallurgical process for the recovery of PGM + Au, (the "Panton Process"). In this process, low grade flotation concentrates are subjected to low temperature calcination followed by cyanide leaching at elevated temperature to dissolve the PGM's, gold and base metals. These are then recovered from solution by precipitation to produce a high grade PGM and base metal concentrate suitable as direct feed to a refinery. On Panton Project ores, the process gave significantly higher recoveries and much higher final product grades than standard metallurgical processes for PGM.

The Panton Process offers a number of significant advantages over the traditional smelter recovery route: -

- Removal of the high capital and operating costs associated with a smelter;
- Comparable or increased recoveries;
- Increased payment for products;
- Reduced concentrate transport costs; and
- Reduced environmental impact.

PLA believes that these advantages make the “Panton Process” potentially attractive to PGM projects throughout the World.

Yours faithfully,
PLATINUM AUSTRALIA LIMITED

JOHN D. LEWINS
Executive Director