



# PLATINUM AUSTRALIA LIMITED

ACN 093 417 942

3<sup>rd</sup> 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](mailto:mail@platinumaus.com)  
Website: [www.platinumaus.com](http://www.platinumaus.com)

Our ref: ASX0391JDL.30.3.JDL

**10<sup>th</sup> August 2004**

Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
10<sup>th</sup> Floor, 20 Bond Street  
SYDNEY NSW 2000

Dear Madam,

## **Platinum Australia to Acquire Interest in 24 Rivers PGM Project**

**Platinum Australia Limited (ASX: PLA) is pleased to announce that it has signed a Heads of Agreement with South African group, 24 Rivers Mining (Pty) Ltd (“24RM”), to acquire up to 74% of the 24 Rivers Platinum Group Metals (PGM) Project in South Africa.**

**The 24 Rivers PGM Project is located on the northern limb of South Africa’s Bushveld Complex, which produces over 70% of the World’s platinum. It is along strike and to the south of Anglo Platinum’s operating PPRust open cut platinum mine and adjacent to the War Springs Project of Platinum Group Metals Ltd, see Figures 1 & 2.**

**Based on current geological interpretation and preliminary mapping, PLA believes that the property has the potential to host up to 2 kilometres of the Bushveld Complex containing the Platreef which is mined at the PPRust platinum mine.**

**PLA plans to commence exploration work on the project immediately after completion of the due diligence. The target for the project is Platreef disseminated PGM mineralisation similar to that mined at the Anglo Platinum PPRust platinum mine.**

In announcing the signing of the Heads of Agreement, PLA Managing Director John Lewins said “The acquisition of our interest in the 24 Rivers Project provides PLA an exciting exploration opportunity in the much sought after northern limb of the Bushveld Complex.”

## **The 24 Rivers PGM Project**

The 24 Rivers PGM Project is located on the northern limb of the Bushveld Complex and covers a fault displaced section of the complex with a strike length of approximately 2 kilometres. The part of the Bushveld Complex present on the project, known as the Rustenburg Layered Suite, hosts the Platreef which is mined by Anglo Platinum at their PPRust mine north of the 24 Rivers Project. The Platreef is known to extend along strike to the north and south of the PPRust mine, having been identified in numerous prospects currently under evaluation and PLA is confident that it should be present on 24 Rivers.

The Platreef varies in thickness from a few metres to approximately 30 metres wide and tends to be of low to medium grade in the region of 1 to 5 g/t PGM. It is generally outcropping or sub outcropping and is mined by open cut methods.

## **Terms of Agreement**

Under the terms of the Heads of Agreement PLA will pay 24 RM ZAR200,000 (~AUS\$43,000) and issue 300,000 ordinary shares in PLA for the right to earn into the 24 Rivers PGM Project. PLA will earn a 30% interest in the 24 Rivers Joint Venture ("24R JV") for the expenditure of ZAR2 million (~AUS\$430,000), a further 19% for the expenditure of a further ZAR2 million; and an additional 25% for completing a Full Feasibility Study on the project.

24RM currently has an option over 75% of the mineral rights and is negotiating to acquire an option over the balance. In the event that 24RM is unsuccessful in acquiring the balance, they will be required to convert their interest in the 24R JV into ordinary shares in PLA on the basis of 200,000 shares per 100,000 oz Platinum Equivalent resource identified when PLA has earned a 49% interest in the project. In the event they do acquire the option they will have the right to convert at a ratio of 400,000 ordinary shares in PLA per 100,000 oz Platinum Equivalent resource identified.

## **Advancing the 24 Rivers PGM Project**

PLA intends to acquire aeromagnetic data which is available for the project area and undertake soil sampling and mapping immediately upon completion of the finalization of the agreement. It is anticipated that this will be followed up with a drilling program in late 2004. Depending on the results from this work a more comprehensive drilling program will then be undertaken in 2005.

## **Black Economic Empowerment in South Africa**

The South African Black Economic Empowerment ("BEE") legislation requires that existing mining operations have a 15% BEE ownership component within five years, increasing to 26% within 10 years. New mining projects which are established should have a minimum of 15% increasing to 26% within 10 years. There is no specific requirement for an exploration project to have participation with a BEE company, but in order to move into development and acquire the necessary licences the minimum 15% participation level is required.

## **Ongoing PLA Strategy**

The 24R JV is part of our ongoing strategy to identify and evaluate potential PGM projects in South Africa. The signing of this agreement reflects further success of the PLA South African strategy of seeking PGM Projects which have the potential to be developed into sustainable producing operations.

It is intended to continue with this strategy, seeking not only to acquire an interest in projects such as 24 Rivers, but also in PGM projects which can benefit from the application of our patented Panton Process to overcome poor recovery and improve concentrate quality such as the recently announced Kalahari Platinum Project ("Kalplats").

PLA has already reported some success from the results of testwork on the application of the Panton Process to Kalplats and other refractory South African ore and is currently undertaking further testwork on other ores. PLA is confident that continuing success of this testwork will provide opportunities for PLA to participate in other PGM projects in South Africa.

**For further information:**

**John Lewins**

**Managing Director, Platinum Australia**

**+61 (08) 9324 1491**

**0419 910 061**

**Media enquiries:**

**Sarah Allchurch**

**Allchurch Communications**

**+61 (08) 9381 6625**

**0412 346 412**



