



# PLATINUM AUSTRALIA LIMITED

ACN 093 417 942

3<sup>rd</sup> Floor, 18 Richardson Street, West Perth  
Western Australia 6005

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

Our ref: ASX0457JDL:30.3JW

PO Box 1083, West Perth  
Western Australia 6872

Email: [mail@platinumaus.com](mailto:mail@platinumaus.com)  
Website: [www.platinumaus.com](http://www.platinumaus.com)

18 January 2005

The Manager – Company Announcements Office  
Australian Stock Exchange Limited  
10<sup>th</sup> Floor  
20 Bond St  
Sydney NSW 2000

Dear Sir,

## **Initial Results from Diamond Drilling Confirm Continuity of PGM Bearing UG2 Reef at Smokey Hills PGM Project**

Platinum Australia Limited (ASX: PLA) is pleased to announce that the assay results from the first diamond drill hole completed at the Smokey Hills project have confirmed a true thickness intersection of PGM bearing UG2 reef of 0.91 metres @ 8.37 g/t 4E PGM (platinum + palladium + rhodium + gold) from 75.90 metres.

The above result compares extremely favourably with the average assay and thickness of 0.55 metres @ 8.79 g/t 4E PGM from previous sampling of the reef outcrop by PLA.

Two further diamond drill holes have been completed by PLA to confirm the grade and continuity of the PGM bearing UG2 reef as part of the due diligence for the acquisition of an interest in the project. Both have intersected the PGM bearing UG2 reef and assay results for these two holes are expected in the near future.

The results of this diamond drilling program have increased the confidence of PLA that there is a target of up to 1 million ounces of 4E PGM in the Smokey Hills Project area. This target is based on previous mapping at the Smokey Hills Project which identified six kilometres of outcropping PGM bearing UG2 reef, sampling of the reef outcrops by PLA which gave an average assay of 8.79 g/t 4E PGM (platinum + palladium + rhodium + gold) and the well established continuity of the UG2 reef which is mined over tens of kilometres in numerous mines.

While this target is of a conceptual nature and does not imply that a mineral resource has been or will be defined, the results from the current drilling have significantly increased the confidence in the potential of the project.

A further program of systematic shallow drilling is planned to commence in the coming month to fully test this target.

PLA Managing Director John Lewins in announcing the initial results said “The results of our first drill hole at Smokey Hills show a UG2 reef intersection of similar grade to the average from sampling of the reef outcrop at 8.37 g/t 4E PGM, but with a 50% greater true width at 0.91 metres versus the expected average of 0.55 metres. This result combined with the UG2 reef intersections of 0.57 metres in our second hole and 0.8 metres in our third hole confirms our confidence in the continuity of the reef at Smokey Hills. A further drilling program planned to commence in the coming month should now allow PLA to establish a JORC compliant resource for the Smokey Hills Project.”

### The Smokey Hills PGM Project

The Smokey Hills Project has over 6 kilometres of mapped UG2 PGM reef, outcropping around the margin of two hills. The outcrop has been bulldozed along approximately 3.5 kilometres to expose the reef in a clean vertical face for precise sampling and width measurement.

PLA collected 9 channel samples across the full width of the reef along the 3.5 kilometres exposed by bulldozing. The sample assays showed relatively minor variation and an average of 8.79 g/t 4E PGM (10.66 g/t 6E PGM) over an average reef width of approximately 55 cm.

This would equate to a grade of approximately 5.21 g/t 4E PGM over a mining width of 1 metre, assuming zero grade for dilution. This is consistent with the adjacent Modikwa Platinum Mine which has reported reserves of 35.2 million tonnes at 4.86 g/t 4E PGM on a mining width of approximately 1 metre.

No formal mineral resource has yet been estimated for the Smokey Hills Project. However the extensive reef exposure at surface around both hills and the well known geological and grade continuity of the UG2 reef, allows a reasonable estimate of the target size of the UG2 reef mineralisation to be made.

The area of UG2 reef present on the Smokey Hills Project has been determined from the mapping of the outcrop to be 165 hectares. The average true thickness of the reef from channel sampling is 55 cm. The average specific gravity of the reef from the channel samples is 4.09 which is consistent with the specific gravity reported from the nearby Modikwa Platinum Mine of 3.96 to 4.00. Combining the average true thickness, grade (8.79 g./t 4E PGM) and specific gravity from the channel sampling, and assuming reef continuity over the mapped area, indicates that the Smokey Hills Project has target mineralisation of up to 1 million ounces 4E PGM.

The results from the initial three diamond holes completed by PLA as part of the due diligence are provided in Table1 below. Assay results are still awaited for the second and third holes, however both have intersected UG2 reef and assay results expected in the coming week. The location of the drill holes are shown in the attached location plan.

**TABLE 1 - SMOKEY HILLS DIAMOND RESULTS**

Hole No	UG2 Intersection		Width	Pt g/t	Pd g/t	Rh g/t	Au g/t	4E PGM <sup>1</sup> g/t	7E PGM <sup>2</sup> g/t
	From	To							
<b>SHDD001</b>	75.90	76.81	0.91	3.78	3.56	0.87	0.12	<b>8.37</b>	<b>9.66</b>
<b>SHDD002</b>	26.01	26.58	0.57					Results Awaited	
<b>SHDD003</b>	106.75	107.55	0.80					Results Awaited	

1 4E PGM - Pt + Pd + Rh + Au

2 7E PGM - Pt + Pd + Rh + Ru + Ir + Os + Au

Assays are fire assays with nickel sulphide collection and ICP– MS element determination

Assay by Genalysis Laboratory Services, Perth, Western Australia, a NATA registered laboratory No 3244

## **Advancing the Smokey Hills Project**

A comprehensive drilling program is planned to commence in the coming month aimed at defining a JORC compliant resource for the project as part of a Bankable Feasibility Study (“BFS”).

PLA believes that the shallow outcropping nature and geometry of the UG2 reef at Smokey Hills facilitates a rapid and low cost completion of the resource definition and project evaluation phase’s necessary to bring the project into production. It is anticipated that the drilling of the Smokey Hills Project could be completed early in 2005 and that a BFS could be completed in the second half of 2005.

### **For further information:**

**John Lewins**  
**MD, Platinum Australia**  
**+61 (08) 9324 1491**  
**0419 910 061**

### **Media enquiries:**

**Sarah Allchurch**  
**Allchurch Communications**  
**+61 (08) 9381 6625**  
**0412 346 412**

