



PLATINUM AUSTRALIA LIMITED

ACN 093 417 942

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

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

Ourref:ASX0525JDL:30.3:JW

PO Box 1083, West Perth
Western Australia 6872

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

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The Manager – Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond St
SYDNEY NSW 2000

Dear Sir,

Resource Definition Drilling Program Commences At Smokey Hills PGM Project

Platinum Australia Limited (ASX: PLA) is pleased to announce that the diamond drilling program aimed at defining the total resource at the Smokey Hills PGM Project has commenced. The program will consist of up to 50 diamond holes for a total of 5,000 metres and should be completed by the end of 2005.

It is anticipated that results from this drilling will enable a JORC compliant resource to be estimated by early 2006. This resource will form the basis of the Bankable Feasibility Study (“BFS”) on the Project which is due for completion by mid 2006. Subject to the completion of this Study, PLA believes that Project has the potential to produce approximately 90,000 ozs 4E PGM per year.

Previous channel sampling and drilling on the project has indicated an average grade of 8.75 g/t 4E PGM (platinum + palladium + rhodium + gold) over a width of approximately 0.6 metres. These results, combined with mapping and assuming reef continuity under cover, provides the basis for a target of over 1 million ounces 4E PGM for the Project.

“This is an exciting time for our Company as the commencement of this resource definition drilling program moves PLA firmly into the development phase for the Smokey Hills PGM Project” said PLA Managing Director, John Lewins. “This Project, due to the shallow dip of the reef, the favourable topography and the proximity of adjacent PGM mining operations, has an excellent opportunity to commence early production from an open cut operation. This ore could be sold to, or toll treated at, one of these adjacent operations while we build our own treatment facility, generating early cash flow. This would give us an effective start of production 12 months earlier than would be otherwise possible.”

Developing the Smokey Hills Project

PLA plans to complete the current resource definition drilling program by December 2005 and incorporate these results into a JORC compliant resource estimate. This resource will form the basis of the BFS to be completed by mid 2006.

The contract for the completion of the BFS is currently out to tender and the successful tenderer should be selected in the coming weeks. A metallurgical test work program is also scheduled to commence shortly. The

initial sample for this work will be obtained from an existing adit which has a 20 metre intersection of UG2 reef approximately 40 to 50 metres below surface. Further test work will be carried out on drill core and costean samples.

The geometry and depth of the UG2 reef indicates that up to 25% of the UG2 reef could be mined by open cut mining methods. This, combined with the proximity of two new mines to the project, provides an opportunity to start mining operations following the completion of the BFS and to deliver ore to these operations while our own treatment facility is constructed at Smokey Hills.

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, and in addition, drilled three diamond drill holes. The samples from this work showed relatively minor variation and an average of 8.75 g/t 4E PGM (10.6 g/t 6E PGM) over an average reef width of approximately 60 cm.

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 and drill holes is approximately 60 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 (8.75 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 over 1 million ounces 4E PGM.

PLA is acquiring an 80% interest in the in the Smokey Hills Project under terms which have been outlined in previous announcements available on the PLA web site.

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](#)