



# PLATINUM AUSTRALIA LIMITED

Our ref: ASX0603JDL:30.3:JD

19 January 2006

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

Dear Sir,

## FINAL ASSAY RESULTS FROM THE 2005 RESOURCE DRILLING PROGRAM CONFIRMS POTENTIAL OF THE SMOKEY HILLS PGM PROJECT

Platinum Australia Limited (ASX:PLA) is pleased to announce that final assay results from the 2005 resource definition drilling program at the Smokey Hills PGM Project continues to support a target potential of up to 1 million ounces 4E PGM\*.

PLA Managing Director John Lewins said: "We are extremely pleased with the results from the 2005 resource definition drilling program, which have confirmed our confidence in the project. The assays have also established that the 4E PGM\* content is composed of 45% platinum, 45% palladium, 9% Rhodium and 1% gold, which equates to a basket value for the 4E PGM's\* of approximately US\$870 per ounce at current metal prices."

"The results, as expected, have been consistent in both grade and thickness averaging 8.68 g/t 4E PGM\* over 0.57 metres and compare well with our original estimate of 8.75 g/t 4E PGM\* over 0.55 metres."

The results and other geological data have been provided to our independent consultants, Snowden, to complete a JORC compliant resource estimate for the project.

"With Bankable Feasibility Study on the project progressing well and the metallurgical test work program underway at the Mintek Metallurgical Laboratories in South Africa, we look forward to completing the study in mid 2006 as planned," Mr Lewins said.

The latest results are summarised below:

| Diamond Drill Hole Number | Intersection Details                                 |
|---------------------------|--|
| SHDD-41                   | 10.01 g/t 4E PGM* over 0.49 m from 38.82 m           |
| SHDD-42                   | No reef intersected – Iron Rich Ultramafic Pegmatoid |
| SHDD-43                   | 12.93 g/t 4E PGM* over 0.58 m from 102.73 m          |
| SHDD-44                   | Borehole abandoned – drilling problem                |
| SHDD-45                   | 8.97 g/t 4E PGM* over 0.59 m from 22.88 m            |
| SHDD-46                   | 8.27 g/t 4E PGM* over 0.67 m from 37.38 m            |
| SHDD-47                   | 7.32 g/t 4E PGM* over 0.49 m from 33.44 m            |
| SHDD-48                   | 9.30 g/t 4E PGM* over 0.65 m from 33.82 m            |
| SHDD-49                   | 7.46 g/t 4E PGM* over 0.67 m from 41.37 m            |
| SHDD-50                   | 8.47 g/t 4E PGM* over 0.56 m from 33.62 m            |
| SHDD-51                   | No reef intersected - pothole                        |
| SHDD-52                   | 10.08 g/t 4E PGM* over 0.61 m from 37.30 m           |
| SHDD-53                   | No reef intersected - pothole                        |
| SHDD-54                   | 9.44 g/t 4E PGM* over 0.63 m from 54.58 m            |
| SHDD-55                   | No reef intersected - pothole                        |

A summary of all of the results from the diamond drill holes is provided in Table 1 and their location is shown in the attached plan.

\* 4E PGM = Platinum + Palladium + Rhodium + Gold

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**TABLE 1 - SMOKEY HILLS DIAMOND RESULTS**

| Hole No    | UG2 Intersection   |        | Width | Pt<br>g/t | Pd<br>g/t | Rh<br>g/t | Au<br>g/t | 4E PGM <sup>1</sup><br>g/t |
|------------|--|--------|-------|-----------|-----------|-----------|-----------|----------------------------|
|            | From   | To     |       |           |           |           |           |                            |
| SHDD001*   | 75.90  | 76.81  | 0.91  | 3.78      | 3.56      | 0.87      | 0.12      | <b>8.37</b>                |
| SHDD002*   | 97.35  | 97.96  | 0.61  | 4.38      | 3.89      | 0.94      | 0.07      | <b>9.28</b>                |
|            | 106.75   | 107.55 | 0.80  | 3.94      | 2.95      | 0.82      | 0.07      | <b>7.78</b>                |
| SHDD003*   | 26.01  | 26.58  | 0.57  | 4.10      | 4.96      | 0.89      | 0.17      | <b>10.12</b>               |
| SHDD005    | 39.45  | 40.14  | 0.69  | 3.78      | 4.76      | 0.78      | 0.11      | <b>9.45</b>                |
| SHDD006    | 24.56  | 25.18  | 0.62  | 3.38      | 1.95      | 0.55      | 0.10      | <b>5.99</b>                |
| SHDD007    | 28.25  | 28.86  | 0.61  | 3.88      | 3.52      | 0.81      | 0.10      | <b>8.32</b>                |
| SHDD008    | 62.37  | 63.04  | 0.67  | 3.57      | 3.22      | 0.81      | 0.06      | <b>7.67</b>                |
| SHDD009    | 143.68   | 144.23 | 0.55  | 3.90      | 3.66      | 0.74      | 0.11      | <b>8.41</b>                |
| SHDD009 W2 | 143.87   | 144.42 | 0.55  | 3.71      | 3.69      | 0.74      | 0.13      | <b>8.27</b>                |
| SHDD010    | 153.58   | 154.16 | 0.58  | 3.63      | 4.10      | 0.73      | 0.11      | <b>8.57</b>                |
| SHDD011    | No Reef Intersected – Mafic Intrusive/ Dyke                          |        |       |           |           |           |           |                            |
| SHDD012    | 117.31   | 117.90 | 0.59  | 4.05      | 3.72      | 0.83      | 0.09      | <b>8.68</b>                |
| SHDD013    | 150.00   | 150.81 | 0.81  | 4.24      | 4.34      | 0.81      | 0.12      | <b>9.51</b>                |
| SHDD014    | 44.62  | 44.91  | 0.29  | 5.58      | 5.39      | 1.11      | 0.09      | <b>12.17</b>               |
| SHDD015    | No reef intersected - Pothole  |        |       |           |           |           |           |                            |
| SHDD016    | 151.63   | 151.83 | 0.20  | 6.91      | 2.38      | 1.37      | 0.01      | <b>10.67</b>               |
| SHDD017    | 98.27  | 98.43  | 0.16  | 1.52      | 0.37      | 0.23      | 0.01      | <b>2.13</b>                |
| SHDD018    | 144.28   | 144.82 | 0.54  | 4.32      | 5.14      | 0.89      | 0.13      | <b>10.48</b>               |
| SHDD019    | No reef intersected - Pothole  |        |       |           |           |           |           |                            |
| SHDD020    | 103.34   | 103.88 | 0.54  | 3.83      | 2.66      | 0.81      | 0.06      | <b>7.37</b>                |
| SHDD021    | 32.93  | 33.57  | 0.64  | 3.71      | 3.50      | 0.76      | 0.10      | <b>8.08</b>                |
| SHDD022    | 42.97  | 43.55  | 0.58  | 4.27      | 3.84      | 0.84      | 0.14      | <b>9.10</b>                |
| SHDD023    | No reef intersected - Pothole  |        |       |           |           |           |           |                            |
| SHDD024    | 64.83  | 65.30  | 0.47  | 3.31      | 3.50      | 0.61      | 0.14      | <b>7.57</b>                |
| SHDD025    | 62.22  | 62.76  | 0.54  | 4.10      | 4.71      | 0.77      | 0.14      | <b>9.73</b>                |
| SHDD026    | 108.84   | 109.35 | 0.51  | 4.12      | 4.28      | 0.87      | 0.14      | <b>9.42</b>                |
| SHDD027    | 8.94   | 9.16   | 0.22  | 4.20      | 4.99      | 0.68      | 0.19      | <b>10.06</b>               |
| SHDD028    | 9.63   | 9.88   | 0.25  | 3.43      | 1.95      | 0.50      | 0.12      | <b>6.00</b>                |
| SHDD029    | 59.07  | 59.53  | 0.46  | 4.26      | 4.47      | 0.84      | 0.17      | <b>9.74</b>                |
| SHDD030    | 25.27  | 25.86  | 0.59  | 3.98      | 3.91      | 0.79      | 0.12      | <b>8.82</b>                |
| SHDD031    | 41.45  | 42.03  | 0.58  | 4.33      | 5.26      | 0.89      | 0.16      | <b>10.62</b>               |
| SHDD032    | 62.03  | 62.68  | 0.65  | 3.72      | 4.23      | 0.76      | 0.14      | <b>8.86</b>                |
| SHDD033    | Borehole abandond - drilling problems ( <i>replaced by SHDD037</i> ) |        |       |           |           |           |           |                            |
| SHDD034    | Borehole abandond - drilling problems ( <i>replaced by SHDD037</i> ) |        |       |           |           |           |           |                            |
| SHDD035    | 34.21  | 34.79  | 0.58  | 3.70      | 3.55      | 0.76      | 0.10      | <b>8.10</b>                |
| SHDD036    | 22.45  | 23.16  | 0.71  | 2.93      | 3.47      | 0.52      | 0.13      | <b>7.05</b>                |
| SHDD037    | 46.21  | 46.87  | 0.66  | 3.34      | 3.14      | 0.69      | 0.09      | <b>7.25</b>                |
| SHDD038    | 27.25  | 27.72  | 0.47  | 4.86      | 2.01      | 0.88      | 0.09      | <b>7.85</b>                |
| SHDD039    | 18.17  | 19.24  | 1.07  | 2.99      | 3.38      | 0.63      | 0.13      | <b>7.12</b>                |
| SHDD040    | 35.91  | 36.46  | 0.55  | 4.54      | 3.88      | 1.11      | 0.16      | <b>9.68</b>                |
| SHDD041    | 38.82  | 39.31  | 0.49  | 4.11      | 4.87      | 0.86      | 0.16      | <b>10.01</b>               |
| SHDD042    | No reef intercepted - Iron Rich Ultramafic Pegmatoid                 |        |       |           |           |           |           |                            |
| SHDD043    | 102.73   | 103.31 | 0.58  | 3.86      | 8.09      | 0.82      | 0.16      | <b>12.93</b>               |
| SHDD044    | Borehole abandond - coreloss due to weathering                       |        |       |           |           |           |           |                            |
| SHDD045    | 22.88  | 23.47  | 0.59  | 4.08      | 4.03      | 0.75      | 0.12      | <b>8.97</b>                |
| SHDD046    | 37.38  | 38.05  | 0.67  | 3.17      | 4.30      | 0.65      | 0.15      | <b>8.27</b>                |
| SHDD047    | 33.44  | 33.93  | 0.49  | 3.81      | 2.62      | 0.81      | 0.08      | <b>7.32</b>                |
| SHDD048    | 33.82  | 34.47  | 0.65  | 4.40      | 3.92      | 0.87      | 0.12      | <b>9.30</b>                |
| SHDD049    | 41.37  | 42.04  | 0.67  | 3.45      | 3.07      | 0.84      | 0.10      | <b>7.46</b>                |
| SHDD050    | 33.62  | 34.18  | 0.56  | 3.80      | 3.74      | 0.84      | 0.09      | <b>8.47</b>                |
| SHDD051    | No reef intersected - Pothole  |        |       |           |           |           |           |                            |
| SHDD052    | 37.30  | 37.91  | 0.61  | 3.77      | 5.37      | 0.75      | 0.19      | <b>10.08</b>               |
| SHDD053    | No reef intersected - Pothole  |        |       |           |           |           |           |                            |
| SHDD054    | 54.58  | 55.21  | 0.63  | 4.07      | 4.46      | 0.79      | 0.12      | <b>9.44</b>                |
| SHDD055    | No reef intersected - Pothole  |        |       |           |           |           |           |                            |

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

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

Assay by SGS Lakefield, Johannesburg, South Africa, a SANAS registered laboratory No T0169

\* 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

Boreholes in *Italics* are not representative of 'normal' reef stratigraphy

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Potholes are generally circular areas ranging from less than 10 metres up to 100 metres in diameter where the reef is missing or slumped into a pot hole like depression in the reef. They are present in all mines which exploit UG2 reef and the proportion of these encountered from the drilling at Smokey Hills is within expectations.

The Smokey Hills target is based on previous mapping at the project which identified six kilometres of outcropping PGM bearing UG2 reef. Sampling of the reef outcrops and the results from three diamond drill holes confirmed 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.

#### **Qualification Statement**

*We confirm that exploration results contained in this report are based on information compiled by Tony Greenaway, Geology & Resources Manager of Platinum Australia Limited, who is a member of The Australasian Institute of Mining and Metallurgy.*

*Tony Greenaway has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a competent person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Tony Greenaway consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

#### **For further information:**

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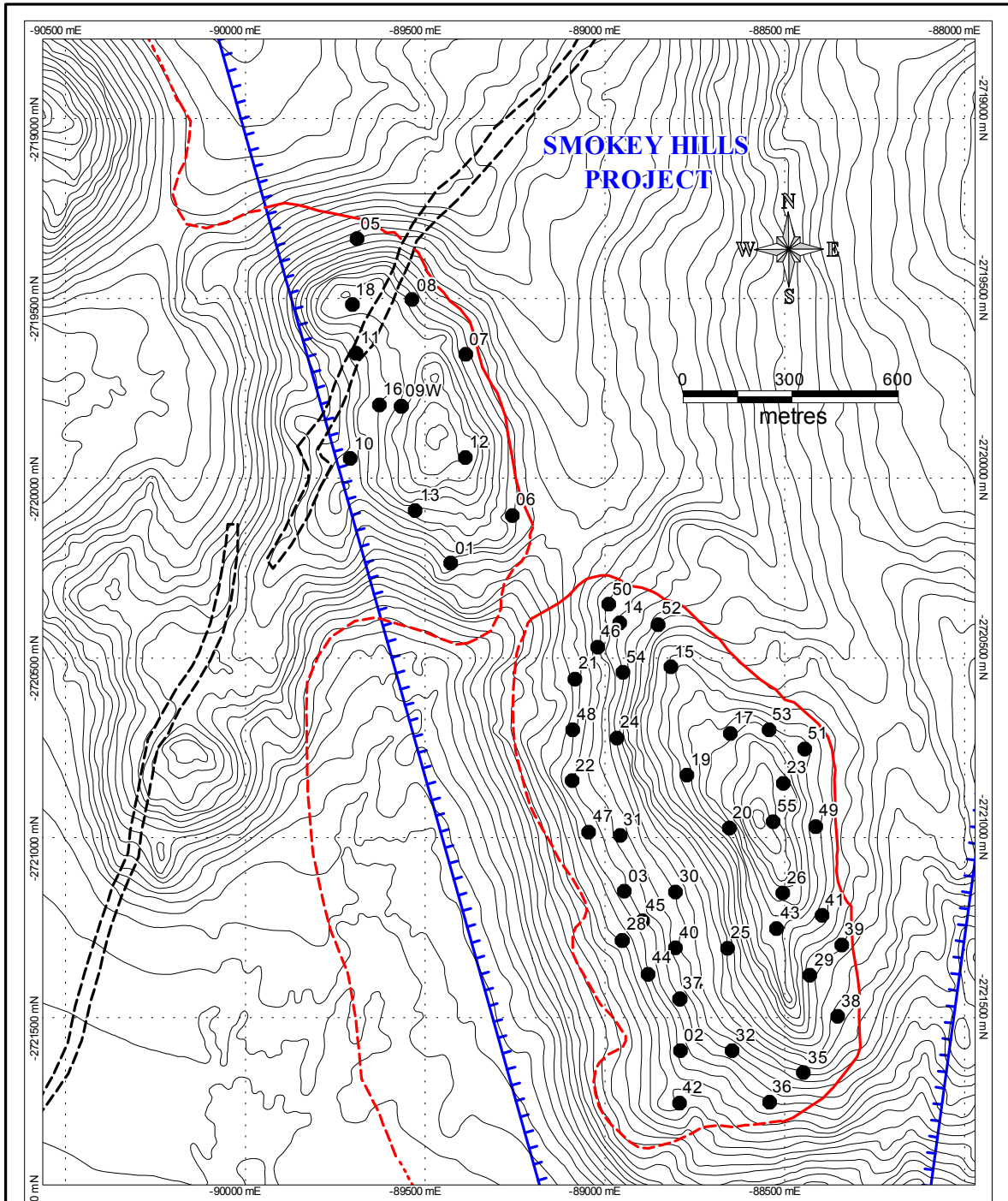
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|   |                       |                  |
|---|-----------------------|------------------|
|  | UG2 Out/ Sub Crop     | 58               |
|  | Mafic Intrusive/ Dyke | ● Completed Hole |
|  | Topographic Contour   |                  |
|  | Project Boundary      |                  |

|                                |                         |
|--------------------------------|-------------------------|
| <b>PLATINUM AUSTRALIA</b>      |                         |
| PLATINUM AUSTRALIA             |                         |
| Smokey Hills Project           |                         |
| <b>Daimond Drill Hole Plan</b> |                         |
| Author: ALG                    | Date: 17/01/06          |
| Scale: 1: 15,000               |                         |
| Drawn:                         | Revised:                |
| Dwg No.: SH_030.wor            | WGS84_Hartbeeshook_L031 |

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