

ASX Release

7 July 2006

SMOKEY HILLS PROJECT RESOURCE REACHES 1 MILLION OZS

Platinum Australia Limited (ASX: PLA) (AIM:PLAA) is pleased to announce that following the completion of a review of the resource estimate for the Bankable Feasibility Study the Measured and Indicated Mineral Resource the estimate for the Smokey Hills PGM Project has increased to 5.5 million tonnes at a grade of 5.6 g/t 4E PGM (platinum + palladium + rhodium + gold) containing 1 Million ozs 4E PGM.

The resource estimate was completed by Snowden Mining Industry Consultants (“Snowden”) and is based on a diluted UG2 reef including a 15 cm Footwall Cut and a Hangingwall Cut to the L2 parting for an average thickness of approximately 1.1 metre. This approach is consistent with South African platinum mining industry practice of reporting a minimum resource width of approximately 1 metre or in this case to a known parting or geological structure, based on mining constraints. The undiluted grade is estimated at 8.6 g/t 4E PGM.

The resource estimate is based on results from a total of 68 diamond drill holes, sampling of the outcrop, adit and surface box cuts, detailed aeromagnetic survey interpretation plus geological mapping and interpretation.

PLA Managing Director John Lewins said: “We are very pleased that the total resource at Smokey Hills has increased approximately 4% to 1 Million ozs 4E PGM following the completion of a review of the resource estimate for the Bankable Feasibility Study”.

“We are currently completing a review process of the Bankable Feasibility Study with our Independent Consultants and Contractors and expect to release the initial figures from the study within the next week. All indications are that the project is extremely robust and that the figures are largely consistent with our expectations”.

Resource Statement

The total UG2 Mineral Resource estimated for the Smokey Hills Project is 5.5 Mt at a grade of 5.60 g/t 4E PGM or 5.5 Mt at a grade of 6.60 g/t 6E PGM. The Mineral Resource is not reported above a cut off grade and has been classified as Measured and Indicated Resources and reported in Table 1 using the guidelines of the JORC code (2004).

Table 1									
Smokey Hills PGM Project UG2 Reef^{#1} Mineral Resource^{#2}									
	Tonnes^{#3} Mt	4E PGM g/t	6E PGM g/t	Pt g/t	Pd g/t	Rh g/t	Au g/t	Ru g/t	Ir g/t
Measured	3.6	5.59	6.60	2.47	2.54	0.51	0.08	0.80	0.21
Indicated	1.9	5.60	6.59	2.49	2.53	0.50	0.08	0.80	0.21
Total	5.5	5.60	6.60	2.47	2.54	0.51	0.08	0.80	0.21

#1 The UG2 Reef, as defined for this resource estimate, comprises the UG2 Chromite Layer, a 15 cm Footwall Cut and a Hangingwall Cut to the L2 parting.

#2 All tabulated data has been rounded to one decimal place for tonnage and two decimal places for grades.

#3 After interpreted geological losses of 21% have been removed. Geological losses include potholes, dykes, faults, rolling reefs and Iron Rich Ultramafic Pegmatite.

Bankable Feasibility Study

The Bankable Feasibility Study (“BFS”) on the Smokey Hills PGM Project is being undertaken by independent consultants and contractors including GRD Minproc as the Lead Engineers, Snowden for the Resource Estimate and Mining Study, SRK Consulting for Tailings and Hydro-geological studies and Africa Geo-Environmental Services for the Environmental Study.

Qualification Statement

The information in this report that relates to Mineral Resources is based on a resource estimate compiled by Mr J Witley who is employed by Snowden Mining Industry Consultants. Mr Witley is registered as a Professional Natural Scientist with the South African Council for Natural Sciences (“SACNASP”) with more than five years experience relevant to PGM resource estimation and qualifies as a Competent Person as defined in the 2004 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” Mr Witley consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Yours faithfully
PLATINUM AUSTRALIA LIMITED



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