



## ASX Release

25 January 2007

### **PLATINUM AUSTRALIA ISSUES 15 MILLION FULLY PAID SHARES TO COMPLETE ACQUISITION OF 80% OF SMOKEY HILLS PGM PROJECT**

**Platinum Australia Limited (ASX:PLA) (AIM:PLAA) is pleased to announce that it has completed the acquisition of an 80% interest in the Smokey Hills PGM Project through the issue of 15 million new fully paid shares to the Vendors.**

PLA Managing Director John Lewins said: "Following the successful completion by PLA of the Bankable Feasibility Study on the Smokey Hills PGM Project and the cession of the New Order Prospecting Right to our Joint Venture Company, PhokaThaba Pty Ltd, we have now settled all aspects of our acquisition of 80% in the Project. Under the terms of the Sale Agreement signed in May 2005 this required PLA to pay ZAR15 million (~US\$2.1 million) and issue 15 million fully paid shares in the Company."

"PLA is now very focused on the development of the Project having recently announced the placement of the order for two 1400 kW ball mills for the Smokey Hills Processing Plant which are due to be delivered in late 2007."

In October 2006 PLA also announced that Standard Bank of South Africa had been mandated to arrange the Project Financing for the Project comprising a debt facility of ZAR 220 million (~US\$31 million). The balance of the ZAR 280 million (~US\$40 million) of the capital required to develop the project will be provided by PLA and the joint venture partners.

The deemed issue price of the above shares is \$1.545 and the shares will be held in escrow for 12 months from the date of issue.

An Appendix 3B and a Secondary Trading Notice are attached.

#### **Smokey Hills PGM Project**

The Smokey Hills PGM Project is located on the eastern limb of the Bushveld Complex in the Limpopo Province, 300 kilometres north of Johannesburg.

PLA commenced a resource definition drilling program on the project in July 2005 and a Bankable Feasibility Study with GRD Minproc as the Lead Engineer in October 2005. The results of the BFS showed the project to be extremely attractive and very robust and able to generate returns of over 70% on the Base Case assumptions and in excess of 600% using July 2006 metal prices and exchange rate.

Platinum Australia Limited

Level 3, 18 Richardson Street West Perth Western Australia 6005 Australia

T: + 61 8 9324 1494

F: + 61 8 9226 4259

E: [pla@platinumaus.com](mailto:pla@platinumaus.com)

W: [www.platinumaus.com](http://www.platinumaus.com)

The Company envisages commencing operations at Smokey Hills initially as an open cut and then progressing to a shallow underground mine. During the initial phase while the plant is under construction PLA proposes to mine ore for toll treatment through a nearby plant to generate early cash flow. This phase would last for approximately 12 months after which ore would be treated through the on-site plant at a rate of 720,000 tonnes per annum and producing approximately 95,000 ozs 4E PGM (Platinum + Palladium + Rhodium + Gold) in a flotation concentrate. This would be toll treated or sold to any one of a number of smelters in South Africa, the nearest of which is less than 100 kilometres distant.

Dependent on the timing of the issuing of the necessary permits PLA proposes to commence construction and mining operations in early 2007 with plant commissioning occurring some 12 months later.

PLA signed a formal Sale Agreement with Smokey Hills Platinum (Pty) Ltd ("SHP") to acquire up to 80% of the Project through the staged acquisition of 100% of SHP in May 2004. With this staged acquisition now completed PLA has an 80% interest in the Project with the balance of the Project is held 5% by the local community and 15% by Corridor Mining Resources, a company owned by the Limpopo Provincial Government.

Yours faithfully  
PLATINUM AUSTRALIA LIMITED



**JOHN D LEWINS**  
**Managing Director**

*Our Ref: ASX0727JDL*

**Further Comments:**

Mr John Lewins  
Managing Director  
Platinum Australia Limited  
P: (08) 9324 1491  
M: 0419 910 061

**Media Enquiries:**

Ron Marshman / John Greenhalgh  
City of London Public Relations  
P: +44 (020) 7628 5518

**Media Enquiries:**

Sarah Allchurch  
Allchurch Communications  
P: (08) 9381 6625  
M: 0412 346 412

Platinum Australia Limited

Level 3, 18 Richardson Street West Perth Western Australia 6005 Australia

T: + 61 8 9324 1494    F: + 61 8 9226 4259    E: [pla@platinumaus.com](mailto:pla@platinumaus.com)    W: [www.platinumaus.com](http://www.platinumaus.com)

**ISSUE OF FULLY PAID SHARES – SECONDARY TRADING NOTICE  
NOTIFICATION PURSUANT TO PARAGRAPH 708A (5) (E) OF  
THE CORPORATIONS ACT 2001 (“ACT”)**

As outlined in the attached ASX Release the company has allotted 15,000,000 Fully Paid Shares as consideration for the acquisition of 20.8% of the Smokey Hills PGM Project.

**Secondary Trading Exemption**

The act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A. A sale of the shares noted above will fall within the exemption in section 708A (5) of the Act.

The Company hereby notifies ASX under paragraph 708A (5)(e) of the Act that:

- a) The Company issued the shares without disclosure to investors under Par 6D.2 of the Act;
- b) As at 24 January 2007 the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and Section 674 of the Act; and
- c) As at 24 January 2007 there is no information:
  - i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - ii) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
    - a) the asset and liabilities, financial position and performance, profits and losses and prospects of the Company; or
    - b) the rights and liabilities attaching to the shares.

**PLATINUM AUSTRALIA LIMITED**



GILLIAN SWABY  
**Company Secretary**

Platinum Australia Limited

Level 3, 18 Richardson Street West Perth Western Australia 6005 Australia

T: + 61 8 9324 1494

F: + 61 8 9226 4259

E: [pla@platinumaus.com](mailto:pla@platinumaus.com)

W: [www.platinumaus.com](http://www.platinumaus.com)

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

Name of entity

Platinum Australia Limited

ABN

99 096 417 942

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                   |
|---|--|-------------------|
| 1 | +Class of +securities issued or to be issued   | Fully Paid Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 15,000,000        |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | N/A               |

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes from date of allotment</p>				
<p>5 Issue price or consideration</p>	<p>\$1.545 per share</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Consideration for the acquisition of 20.8% of The Smokey Hills PGM Project</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>24 January 2007</p>				
<p>8 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">Number</th> <th style="width: 50%; text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">184,480,521</td> <td style="padding: 5px;">Fully paid shares</td> </tr> </tbody> </table>	Number	+Class	184,480,521	Fully paid shares
Number	+Class				
184,480,521	Fully paid shares				

	Number	+Class Options
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	15,000	43.5 cents - 14/03/07
	270,000	22.5 cents - 05/11/08
	3,800,000	35 cents - 10/12/09
	2,500,000	20 cents - 11/12/09
	730,000	37 cents - 30/11/09
	650,000	37.3 cents - 24/05/11
	100,000	83 cents - 30/04/10
	400,000	70 cents - 06/06/10
	3,000,000	\$1.25 - 21/12/11
	15,000,000	Fully Paid Shares (Subject to Escrow)

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Dividends not yet paid
---	------------------------

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the +securities will be offered

14 +Class of +securities to which the offer relates

15 +Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17 Policy for deciding entitlements in relation to fractions

18 Names of countries in which the entity has +security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

- 
- |    |   |  |
|----|---|--|
| 20 | Names of any underwriters   |  |
| 21 | Amount of any underwriting fee or commission  |  |
| 22 | Names of any brokers to the issue   |  |
| 23 | Fee or commission payable to the broker to the issue  |  |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of <sup>+</sup> security holders                             |  |
| 25 | If the issue is contingent on <sup>+</sup> security holders' approval, the date of the meeting  |  |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled  |  |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders |  |
| 28 | Date rights trading will begin (if applicable)  |  |
| 29 | Date rights trading will end (if applicable)  |  |
| 30 | How do <sup>+</sup> security holders sell their entitlements <i>in full</i> through a broker?   |  |
| 31 | How do <sup>+</sup> security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?                                    |  |

- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*(If the additional securities do not form a new class, go to 43)*

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

*(now go to 43)*

**Entities that have ticked box 34(b)**

38 Number of securities for which  
+quotation is sought

39 Class of +securities for which  
quotation is sought

40 Do the +securities rank equally in all  
respects from the date of allotment  
with an existing +class of quoted  
+securities?

If the additional securities do not  
rank equally, please state:

- the date from which they do
- the extent to which they  
participate for the next dividend,  
(in the case of a trust,  
distribution) or interest payment
- the extent to which they do not  
rank equally, other than in  
relation to the next dividend,  
distribution or interest payment

41 Reason for request for quotation  
now

Example: In the case of restricted securities, end of  
restriction period

(if issued upon conversion of  
another security, clearly identify that  
other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38)		

(now go to 43)

## All entities

### Fees

43 Payment method (tick one)

Cheque attached

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

### Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 24 January 2007  
(Director/Company secretary)

Gillian Swaby

Print name:.....