



## ASX Release

17 May 2007

### STANDARD BANK APPROVES ZAR256 MILLION (US\$37 MILLION) PROJECT FINANCE FOR THE SMOKEY HILLS PROJECT

Platinum Australia Limited (ASX: PLA) (AIM: PLAA) is pleased to announce that The Standard Bank of South Africa Ltd has obtained credit committee approval for the debt component of the funding required to develop the Smokey Hills PGM Project in South Africa. The drawdown of funds is subject to the completion of final documentation and fulfilment of conditions precedent usually associated with a transaction of this nature.

PLA already has available the necessary cash to cover the equity component of the funding required to develop the project. Development has already commenced with the placement of orders for the mills and transformer which are long lead items for the project.

PLA Managing Director John Lewins said: "With the approval of the debt component of the funding for the Smokey Hills PGM Project, PLA now has the complete funding necessary to develop the project. As we have already ordered the mills and transformer, we are in an excellent position to complete construction and move into full production in the shortest possible timeframe once we have received our mining right."

"PLA is also pleased to have recently appointed Mr William Smart, a Mining Engineer with extensive experience in the management of mining operations in the Bushveld Complex, as the General Manager for the Smokey Hills Project."

#### 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.

As previously announced, 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 are in excess of 800% using current metal prices and exchange rates.

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.

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Dependent on the timing of the issuing of the necessary permits PLA proposes to commence construction and mining operations in second half 2007 with plant commissioning occurring in March/April 2008.

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. 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**

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**Further Comments:**

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