



ASX Release

8 October 2009

POSITIVE OUTCOME FROM KALAHARI PLATINUM PROJECT PRE FEASIBILITY STUDY

Platinum Australia Limited (ASX:PLA) (AIM:PLAA) is pleased to announce that it has received the Pre Feasibility Study ("PFS") Report for the Kalahari Platinum ("Kalplats") Project. The PFS Report shows the project to be commercially and technically viable and able to generate a return of 25% on the Base Case assumptions based on mining only four of the seven known deposits.

The PFS Report has now been submitted to African Rainbow Minerals Platinum (Pty) Ltd ("ARMplatinum") for their consideration.

The key results from the study are as follows:-

- The Project would deliver a return of 25%;
- The Project would achieve a pre tax NPV10 of US\$50 Million;
- The Project would generate a net cash flow (undiscounted) of US\$145 Million;
- Initial Capital Cost of the Project would be US\$91 Million;
- Cash Operating Cost of US\$340/oz 4E (platinum + palladium + rhodium + gold) concentrate produced (net of base metal credits);
- The Project would produce over 1 Moz 4E over a 9 year operating life from open pit mining of four deposits, Crater, Orion, Crux and Vela.

PLA Managing Director John Lewins said: "The results of the Kalplats Pre Feasibility Study are very pleasing and show that a project based on only four of the seven known deposits would achieve an Internal Rate of Return of 25%. The quality of the project and the benefits of open pit development are clearly demonstrated by the projected cash operating costs being among the lowest in the industry at only US\$340/oz 4E and the projected initial capital cost also being low at only US\$91 million".

"The Company has already commenced the Definitive Feasibility Study on the Kalplats Project which will be based on the expanded resource including Serpens North and Sirius. In addition to the expanded resource base, the work carried out on the PFS has identified that there is significant scope to enhance the project, including further refinement of the resource models to allow greater flexibility for the application and evaluation of grade control in the mining process. This work is under way and it is considered that this has the potential to increase the ore grade mined and treated by up to 10% to 15%, thereby reducing costs and enhancing the project economics".

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A full summary of the results of the PFS are provided in Table 1 below and the underlying assumptions relating to metal prices and exchange rates are provided in Table 2.

GRD Minproc (Pty) Ltd were the Lead Engineers for the PFS, while Coffey Mining (SA) (Pty) Ltd (“Coffey”) were responsible for the Resource Estimate, LQS Mining Consultants (“LQS”) for the Mining Study, Digby Wells and Associates (“DWA”) for Tailings and Hydro-geological studies and Africa Geo-Environmental Services for the Environmental Study.

Table 1 Summary of Results from Kalplats PFS

Production	4E	~115,000 oz/annum
Ave Plant Recovery		73%
Operating Life		9 years
Cash Costs	4E	US\$340/oz
Basket Price	4E	US\$740/oz
Capital Cost		
Initial	US\$	\$91 Million
Deferred	US\$	\$3 Million
NPV (Pre Tax)		
5%	US\$	\$86 Million
10%	US\$	\$50 Million
IRR (Pre Tax)		25%
Cashflow (Pre Tax)	US\$	\$145 Million

Table 2 Metal Price and Exchange Rate Assumptions

Exchange Rate	ZAR/US\$	9.0	
Metal Prices		US\$	ZAR
Platinum	Per oz	1250	11,250
Palladium	Per oz	275	2,475
Rhodium	Per oz	1550	13950
Gold	Per oz	900	8,100
Copper	Per tonne	6,000	54,000
Basket Price	Per oz 4E	740	6,660

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Kalahari Platinum Project (“Kalplats”)

The Kalplats PGM Project is located 330km west of Johannesburg and has a current Measured, Indicated and Inferred Resource of 6.4 Moz 3E which is reported in summary in Table 3, according to the guidelines of the JORC Code (2004).

The Kalplats mineralisation occurs as a persistent set of layers, known as reefs, with a combined thickness of approximately 50m, in a vertical to sub vertical dipping layered gabbro, which extends over much of the 12 km length of the Kalplats Project area. Within the 50m wide reef package, there are at least three parallel high grade reefs separated by lower grade material.

Under the Kalplats Joint Venture Agreement, PLA is earning up to 49% of the Kalplats Project from African Rainbow Minerals Platinum (Pty) Ltd (“ARMplatinum”) by completing a Bankable Feasibility Study including further drilling and providing the right for the project to use the Panton metallurgical process (“Panton Process”).

As part of the Joint Venture, ARMplatinum has been issued a Prospecting Right covering an area approximately 20 kilometres to the north and 18 kilometres to the south of the Kalplats Project area, (“Area of Influence”), increasing the total strike length held by the parties to almost 50 kilometres. PLA and ARMplatinum each have a 50 percent contributing interest in the Area of Influence and PLA will manage the exploration program which will target extensions of the known Kalplats style of PGM mineralisation.

PLA has previously carried out an aeromagnetic survey over the first 5.5 kilometres strike length of the Kalplats Area of Influence and in August 2007, completed a survey of the balance of this area, representing some 32.5 km of potential strike. A soil geochemical survey is in progress and an initial drilling program for this area has been completed with target grade mineralisation intersected over a strike length of approximately 2 kilometres.

Table 3 Combined Coffey Mining plus Harmony Resource Estimate

TABLE 3 COFFEY MINING and HARMONY RESOURCE SUMMARY FOR KALPLATS									
Deposit	Total Resource ³			Main Reef Resource ²			High Grade Resource ¹		
	Tonnes	3E g/t	Ozs	Tonnes	Grade	Ozs	Tonnes	3E g/t	Ozs
Crater ⁴	26,215,785	2.04	1,719,530	11,543,219	2.6	966,740	11,638,000	3.21	1,201,590
Orion ⁴	11,856,000	1.58	603,210	5,597,000	2.14	385,710	2,720,000	3.33	291,100
Crux ⁴	28,038,000	1.42	1,238,400	12,946,000	1.70	706,700	5,092,000	2.67	436,100
Vela ⁵	36,662,000	1.34	1,579,676	14,804,000	2.08	991,573	8,171,000	3.07	806,439
Sirius ⁴	9,484,000	1.42	431,490	3,103,000	2.11	210,390	1,570,000	3.19	161,020
Serpens North ⁵	7,703,000	1.43	353,950	3,199,000	1.93	198,820	1,269,000	3.20	130,640
Serpens South ⁶	10,762,228	1.34	462,071	5,890,324	1.81	324,262	848,289	5.09	138,993
Total	130,721,013	1.53	6,433,327	57,083,543	2.06	3,784,195	30,308,289	3.14	3,165,882

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¹ Includes the high grade UM (+UUM in Crater and Vela) and LM Reefs

² Includes the UM (+UUM in Crater and Vela), Main Reef Residual and LM, which constitute the Main Reef

³ Includes the UM, UUM, LM, MR, LG, MMW and the Main Reef Residual layers, which is the total mineralised width for all seven layers

⁴ Coffey Mineral Resource estimates of Measured, Indicated and Inferred resources

⁵ Coffey Mineral Resource estimates of Indicated and Inferred resources

⁶ Harmony Mineral Resource estimates of Inferred resources

Qualification Statement

The information in this report that relates to the Crux, Orion, Crater, Vela, Sirius and North Serpens Mineral Resource is based on a resources estimate compiled by Mr. Ken Lomberg who is a full-time employee of Coffey Mining Specialists and is a Member of the South African Council for Natural Scientific Professions (member no 400038/01) .

Mr. Lomberg has more than 15 years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Lomberg consents to the inclusion in the report of the matters based on his information in the form and context in which they appears.

Yours faithfully

PLATINUM AUSTRALIA LIMITED



JOHN D LEWINS
Managing Director

Glossary

4E - Platinum + Palladium + Rhodium + Gold

3E - Platinum + Palladium + Gold

Moz – Million ounces

Mt – Million tonnes

Symbols and abbreviations; Pt is platinum, Pd is palladium, Au is gold, ppm is parts per million which is equivalent to grams per tonne (g/t), m is metres.

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