

ASX Release

3 March 2011

SMOKEY HILLS – OPERATIONS UPDATE

Platinum Australia Limited (ASX:PLA) is pleased to provide an update on operations at the Smokey Hills Platinum Mine.

Underground Mining

Following the termination of the majority of their workforce as a result of unprotected industrial action, the mining contractor, JIC Mining Services (Pty) Limited, has re-employed approximately 25% of the previous workforce, hired a number of workers locally and transferred approximately 300 experienced workers from their other operations to reconstitute the workforce to previous levels. PLA believes the new workforce has been strengthened by the transfers, contains a higher degree of skilled and experienced workers and is more than adequate to achieve the budgeted production. It is however planned to recruit a further approximately 100 to 150 workers from the local community over the next two months to provide the numbers of employees required to achieve the planned production level of 60,000 tonnes per month and to provide a number of training and development positions.

At this point JIC expect to achieve the design 60,000 tonnes per month of production by June 2011.

Production

As previously noted, despite the above industrial action, the Processing Plant has continued to operate normally during this period, treating primarily stockpiled chrome tailings under a previously reported agreement with Ingonyama Platinum. This has allowed the Smokey Hills Mine to achieve a positive earnings result of approximately \$400,000 (EBITDA) for the first two months of the Quarter, with an expectation of further improvement in March.

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