



ASX Release

26 May 2011

POSITIVE OUTCOME FROM ROODERAND PLATINUM PROJECT PRE FEASIBILITY STUDY

Platinum Australia Limited (ASX:PLA) is pleased to announce the results from the recently completed Pre Feasibility Study ("PFS") Report for the Rooderand Platinum ("Rooderand") Project. The PFS Report shows the project to be commercially and technically viable and able to generate a return of ~40% on the Base Case assumptions based on mining 9.6 Mt from open pit operations and a further 7.3 Mt from underground.

The key results from the study are as follows:-

- The Project would deliver a return of 40% on the Base Case assumptions or 35% at Current Prices (Average PGM prices for April 2011 and US\$:ZAR exchange rate of 1:7);
- The Project would achieve a pre tax NPV10 of US\$215 Million on the Base Case or US\$195 Million at Current Prices;
- The Project would generate a net cash flow (undiscounted) of US\$598 Million on the Base Case or US\$563 Million at Current Prices;
- Initial Capital Cost of the Project would be ZAR968 Million or US\$129 Million on the Base Case;
- Cash Operating Cost of US\$670/oz 4E concentrate produced on the Base Case;
- The Project would produce an average of 115,000 ozs 4E per annum over a 16 year operating life;

PLA Managing Director John Lewins said: "The results of the Rooderand Pre Feasibility Study are extremely pleasing and show that the project is very robust and would achieve an Internal Rate of Return of 40% at the Base Case and almost 35% at Current (April 2011) prices".

"One of the major outcomes from the study has been the very significant increase in the open pit life of the project, which had been initially anticipated at 1 to 2 years, but is now approximately 8 years, with a further 8 years of underground production".

"The Company has already commenced work on the Definitive Feasibility Study, and has completed over 10,000 metres of drilling since commencing the second drilling program in January of this year. The initial results from this work have already indicated that there is significant potential to increase the size of the open pit and increase its life to beyond 10 years".

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.

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Sound Mining Solutions (Pty) Ltd were the Lead Engineers and responsible for the Mining Study for the PFS, while Coffey Mining (SA) (Pty) Ltd (“Coffey”) were responsible for the Resource Estimate, DRA Mineral Projects (Pty) Ltd for the Metallurgy and Plant Study, cPod Consulting (Pty) Ltd for Tailings and Africa Geo-Environmental Services for the Environmental and Water Studies.

Table 1 Summary of Results from Rooderand PFS

		Base Case	April 2011
Throughput	tonnes/annum	1.2 Million	1.2 Million
Plant Feed Grade			
Open Pit	g/t 4E	3.46	3.46
U/ground	g/t 4E	4.39	4.39
Ave Annual Prod	4E oz/annum	~115,000	~115,000
Ave Plant Recovery	%	79.4	79.4
Operating Life		16 years	16 years
Cash Costs LOM	ZAR/t Milled	605	605
	US\$/oz 4E	670	680
Basket Price	US\$/oz 4E	1,575	1,564
Capital Cost			
Initial	ZAR	968 Million	968 Million
	US\$	129 Million	138 Million
NPV 10 (Pre Tax)	ZAR	1,616 Million	1,367 Million
	US\$	215 Million	195 Million
IRR (Pre Tax)	%	40	35
Cashflow (Pre Tax)	ZAR	4,485 Million	3,941 Million
	US\$	598 Million	563 Million

Table 2 Metal Price and Exchange Rate Assumptions

		Base Case		April 2011	
Exchange Rate	ZAR/US\$	7.50		7	
Metal Prices		ZAR	US\$	ZAR	US\$
Platinum	Per oz	13,500	1,800	12,600	1,800
Palladium	Per oz	6,000	800	5,411	773
Rhodium	Per oz	18,000	2,400	16,401	2,343
Gold	Per oz	9,975	1,330	10,360	1,480
Basket Price	Per oz 4E	11,812	1,575	10,948	1,564

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Rooderand Platinum Project

The Rooderand Platinum Project is located on the western limb of the Bushveld Igneous Complex, in the North West Province of South Africa, 150 kilometres north-west of Johannesburg.

Under the terms of the Heads of Agreement with Atla Mining Resources (Pty) Ltd ("Atla"), PLA has earned an initial 30% interest in the Rooderand Platinum Project, which covers Portion 2 of the farm Rooderand 46JQ for making an initial payment of ZAR14 million following the issuing of the Prospecting Right. PLA will earn a further 35% interest for funding and completing a Definitive Feasibility Study ("DFS") on the project, and can then earn an additional 5% for arranging the financing for the development of the project.

PLA completed a Mineral Resource estimate for Rooderand based on the results from a total of 238 diamond drill holes, detailed high resolution ground magnetic survey interpretation, geological mapping and cross sectional interpretations. The total Mineral Resource estimated for the Rooderand Deposit is 28.83 Mt at a grade of 4.55 g/t 4E containing 4.22 Moz 4E. The Mineral Resource is reported with no cut off grade applied and has been classified as Measured, Indicated and Inferred Mineral Resources and reported in summary in Table 3, according to the guidelines of the JORC Code (2004).

The Pre Feasibility Study is based on the development of open pit and underground mining operations to produce Run of Mine ore for a concentrator plant to be built on site. The open pit is designed to extract the UG2, Merensky and Pseudo Reefs, with two open pit design options considered in the study. The first, reported here, with a maximum depth of ~160 metres and the second with a deeper high grade section, the "Southern Lobe", included to depth of 180 metres. The inclusion of the deeper, Southern Lobe, while increasing the tonnage mined in the open pit by 0.9 Mt, reduced the overall value of the project. The underground design caters for the mining of UG2 Reef only and is at conceptual level at this point. The process plant is designed to produce a flotation concentrate with a grade of 200 g/t 4E which would be shipped to a nearby smelter for further treatment.

PLA is currently working on a Definitive Feasibility Study ("DFS") which is due to be completed in the December 2011 Quarter. As part of the DFS, PLA commenced a second drilling program in January 2011 and to date has drilled approximately 10,000m and completed 78 diamond drill holes. It is anticipated that this program will be completed in July 2011, at which point approximately 400 diamond drill holes will have been completed in the two drilling programs.

The Mineral Resource estimates for Rooderand are based on the results from a total of 238 diamond drill holes and detailed high resolution ground magnetic survey interpretation, geological mapping and cross sectional interpretations.

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Table 3 Rooderand Resource Estimates

Mineral Resource Category	Reef Type	Tonnes (million)	Grade 4E g/t	4E Kg's ('000)	4E Moz	Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	Cu (ppm)	Ni (ppm)
Measured	MR (All Facies)	0.07	14.33	1.04	0.03	9.27	3.88	0.76	0.42	1602	3237
Indicated	MR (All Facies)	0.61	10.46	6.36	0.20	6.91	2.63	0.58	0.34	1288	2565
Meas + Ind	MR (All Facies)	0.68	10.88	7.40	0.24	7.17	2.76	0.60	0.35	1322	2637
Inferred	MR (All Facies)	2.14	10.93	23.35	0.75	7.37	2.61	0.57	0.38	1449	2909
Sub Total	MR (All Facies)	2.81	10.93	30.75	0.99	7.32	2.65	0.58	0.37	1418	2844
Measured	Upper Psuedo										
Indicated	Upper Psuedo	0.39	3.86	1.50	0.05	2.19	1.31	0.21	0.14	432	1724
Meas + Ind	Upper Psuedo	0.39	3.85	1.50	0.05	2.19	1.31	0.21	0.14	432	1724
Inferred	Upper Psuedo	3.46	3.02	10.47	0.34	2.32	0.33	0.22	0.15	561	1393
Sub Total	Upper Psuedo	3.85	3.11	11.97	0.38	2.31	0.43	0.22	0.15	548	1427
Measured	Lower Psuedo	0.43	2.45	1.06	0.03	1.44	0.75	0.12	0.14	288	1574
Indicated	Lower Psuedo	0.80	2.37	1.89	0.06	1.40	0.72	0.11	0.14	286	1645
Meas + Ind	Lower Psuedo	1.23	2.40	2.95	0.09	1.42	0.73	0.11	0.14	287	1620
Inferred	Lower Psuedo	7.41	1.79	13.24	0.43	1.05	0.56	0.08	0.09	219	1413
Sub Total	Lower Psuedo	8.64	1.87	16.19	0.52	1.10	0.58	0.08	0.10	229	1443
Measured	UG2	2.12	5.05	10.74	0.35	3.02	1.38	0.63	0.02	20	1202
Indicated	UG2	4.96	5.25	26.06	0.84	3.09	1.51	0.63	0.03	21	1212
Meas + Ind	UG2	7.08	5.19	36.80	1.18	3.07	1.47	0.63	0.02	21	1209
Inferred	UG2	6.44	5.52	35.54	1.14	3.19	1.62	0.68	0.02	16	1225
Sub Total	UG2	13.52	5.35	72.34	2.33	3.13	1.54	0.65	0.02	18	1217
Measured	TOTAL	2.62	4.89	12.84	0.41	2.93	1.35	0.55	0.05	108	1320
Indicated	TOTAL	6.76	5.30	35.81	1.15	3.18	1.50	0.54	0.07	189	1415
Meas + Ind	TOTAL	9.38	5.19	48.65	1.56	3.11	1.46	0.54	0.07	167	1388
Inferred	TOTAL	19.45	4.25	82.60	2.66	2.68	1.10	0.36	0.11	348	1511
TOTAL	TOTAL	28.83	4.55	131.25	4.22	2.82	1.21	0.42	0.10	289	1471

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Qualification Statement

The information in this report that relates to the Rooderand Mineral Resource is based on a resources estimate compiled by Mr. Andre Deiss who is a Principal of ExplorMine Consultants and is a Member of the South African Council for Natural Scientific Professions (member no 400007/97).

Mr. Deiss has more than 7 years experience which is relevant to the style of mineralisation and type of deposit under consideration and 15 years experience in 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 Deiss consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

Yours faithfully
PLATINUM AUSTRALIA LIMITED



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Glossary

4E - Platinum + Palladium + Rhodium + Gold

Moz - Million ounces

Mt - Million tonnes

Symbols and abbreviations; Pt is platinum, Pd is palladium, Au is gold, Rh is rhodium, Cu is copper, Ni is nickel, ppm is parts per million which is equivalent to grams per tonne (g/t), m is metres. ZAR is South African Rand.

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