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Our ref: ASX0789JDL:30.5:JD

30 October 2007

## **QUARTERLY REPORT FOR THE PERIOD ENDED 30<sup>th</sup> SEPTEMBER 2007**

### **HIGHLIGHTS**

#### **Wide Zones of High Grade PGM Mineralisation Identified from Drilling at the Kalahari Platinum Project**

In September, PLA announced that drilling at the Sirius Prospect had identified a wide zone of continuous mineralisation of 87m @ 2.85 g/t 3E PGM from 7m, with which were two high grade intersections of 26m @ 3.99 g/t 3E PGM and 19.45m @ 4.85 g/t 3E PGM. Other wide intersections have included 20.5m @ 3.96 g/t 3E PGM from 37.5m, also at Sirius and 16m @ 4.58 g/t PGM from 14m at Vela.

#### **More Long Lead Items Ordered for the Smokey Hills PGM Project**

Following the appointment of GRD Minproc as the EPCM contractor for the construction of the processing plant and related infrastructure, orders have been placed for further long lead items including crushers, vibrating screens, concentrate filter, spiral concentrators and flotation cells.

### **OPERATIONS**

At the **Kalplats Project** in South Africa, operations continued to focus on the resource definition drilling program with two diamond and two RC rigs operating at the end of the quarter and almost 12,000 metres drilled for the quarter. Results from this work which have been progressively reported during the quarter have identified a number of wide zones of mineralisation which PLA believes significantly enhances the potential of the project.

Snowden Mining Consultants made progress in the resource modelling of the Crater and Orion deposits and a new resource estimate is expected for the Crater deposit early in the next quarter. This will be followed progressively by modelling and resource estimates for each of the other deposits over a five to six month period.

At the **Smokey Hills PGM Project** in South Africa, following the appointment of GRD Minproc as the EPCM (Engineering, Procurement and Construction Management) Contractor significant progress has been made in the detailed design for the plant and related infrastructure as well as the ordering of equipment. By the end of the quarter orders had been placed for almost all of the long lead items including mills, crushers, vibrating screens, flotation cells, concentrate filter, spiral classifiers, transformers and electrical switchgear.

In discussions the South African Department of Minerals and Energy have indicated that the granting of the Mining Right for the Smokey Hills Project is imminent and it is anticipated that this will be issued in the near future.

At the **Katanning Project** in Western Australia, Accent Resources (“Accent”) flew an airborne magnetic and radiometric survey over the project area in September. Results from this work will be provided to PLA and will be used to identify the magnetite units or reefs which are considered to have the best potential to host PGM mineralisation, similar to those at our Kalplats Project in South Africa.

## **CORPORATE**

On 2<sup>nd</sup> October PLA announced the appointment of Mr Carel Nicolaas van Heerden B. Com., LL.B., M.B.A., LLM, to its board of directors as a non executive director with immediate effect.

Mr Van Heerden of Johannesburg, South Africa, is a legal practitioner (Advocate) who has specialized in mining, resource and commercial matters for more than 25 years. His appointment to the board is in fulfilment of the November 2004 agreement under which PLA purchased an interest in the Smokey Hills Platinum Project from Geoplat Resources Ltd, a company in which Mr van Heerden held an interest. The purchase was settled for shares in Platinum Australia Limited and as a result the vendors, including Mr van Heerden and his nominees now hold 15 million shares in Platinum Australia Limited.

PLA signed a Heads of Agreement with Accent Resources covering the Katanning Project. Under the agreement Accent has the right to undertake exploration for non PGM minerals (primarily Vanadium and Titanium) on the lease which is contiguous with their leases and PLA will retain 100% of the PGM’s and associated minerals and a 1% net smelter royalty on other minerals processed by Accent. The work undertaken by Accent will generate significant information which it is believed will be useful for PLA in its PGM exploration.

### ***Qualification Statement***

*We confirm that exploration results contained in this report are based on information compiled by Peter Allchurch, who is a Fellow of the Australian Institute of Mining and Metallurgy. Peter Allchurch is non-executive Chairman of Platinum Australia Limited.*

*Peter Allchurch has more than 5 years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a competent person as defined in the 2004 edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Peter Allchurch consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



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

### ***For further information:***

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### **Glossary**

3E PGM	platinum + palladium + gold
4E PGM	platinum + palladium + rhodium + gold
6E PGM	platinum + palladium + rhodium + iridium + ruthenium + gold
7E PGM	platinum + palladium + rhodium + iridium + osmium + ruthenium + gold

\* The six Platinum Group Metals (PGM’s) are Platinum (Pt), Palladium, (Pd), Rhodium, (Rh), Iridium (Ir), Osmium (Os) and Ruthenium (Ru).

# Appendix 5B

## Mining Exploration Entity Quarterly Report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**PLATINUM AUSTRALIA LIMITED**

ABN

**99 093 417 942**

Quarter ended ("current quarter")

**30 September 2007**

### Consolidated Statement of Cash Flows

		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(2,449)	(2,449)
	(b) development	(1,321)	(1,321)
	(c) production		
	(d) administration	(628)	(628)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	657	657
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	<b>Net Operating Cash Flows</b>	<b>(3,741)</b>	<b>(3,741)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(633)	(633)
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities	(5)	(5)
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	<b>Net investing cash flows</b>	<b>(638)</b>	<b>(638)</b>
1.13	<b>Total operating and investing cash flows (carried forward)</b>	<b>(4,379)</b>	<b>(4,379)</b>

1.13	<b>Total operating and investing cash flows (brought forward)</b>	<b>(4,379)</b>	<b>(4,379)</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	12,552	12,552
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	608	608
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide detail if material) Fundraising Costs	(333)	(333)
	<b>Net financing cash flows</b>	<b>12,827</b>	<b>12,827</b>
	<b>Net increase (decrease) in cash held</b>	<b>8,448</b>	<b>8,448</b>
1.20	Cash at beginning of quarter/year to date	17,943	17,943
1.21	Exchange rate adjustments to item 1.20	700	700
1.22	<b>Cash at end of quarter (refer note below)</b>	<b>27,091</b>	<b>27,091</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		<b>Current quarter SA'000</b>
1.23	Aggregate amount of payments to the parties included in item 1.2	(161)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

**Non-cash Financing and Investing Activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

## Financing Facilities Available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	N/A	-
3.2 Credit standby arrangements	N/A	-

## Estimated Cash Outflows for next Quarter

	\$A'000
4.1 Exploration and evaluation	(3,603)
4.2 Development	(14,236)
<b>Total</b>	<b>(17,839)</b>

## Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,975	1,403
5.2 Deposits at call	22,116	16,540
5.3 Bank overdraft	-	-
5.4 Other: Bank Guarantees	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>27,091</b>	<b>17,943</b>

## Changes in Interests in Mining Tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

## Issued and Quoted Securities at end of Current Quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	207,520,521	192,520,521		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	7,300,000	7,300,000		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<b>Exercise price</b>	<b>Expiry date</b>
	160,000	-	22.5 Cents	5 November 2008
	3,800,000	-	35 Cents	10 December 2009
	2,500,000	-	20 Cents	11 December 2009
	550,000	-	37 Cents	30 November 2009
	100,000	-	83 Cents	30 April 2010
	400,000	-	70 Cents	30 June 2010
	3,000,000	-	\$1.25	21 December 2011
	100,000	-	\$1.29	06 June 2010
	900,000	-	\$1.74	30 June 2011
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Cancelled during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

## Compliance Statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 30 October 2007  
 (Director / Company Secretary)  
 Print name: GILLIAN SWABY

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.