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30 January 2007

QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2006

HIGHLIGHTS

PLA Mandates Standard Bank to arrange Funding for the Smokey Hills PGM Project

In early October Platinum Australia Limited (ASX:PLA) (AIM:PLAA) announced that Standard Bank of South Africa had been mandated by the Company and its South African subsidiary, PhokaThaba Platinum Pty Ltd ("PTP") to arrange the Project Debt Financing for the Smokey Hills Project. The debt funding to comprise of a ZAR220 million facility for PTP. The balance of ZAR60 million of capital required to develop the project to be provided as equity by PLA and its joint venture partners

Positive Initial Results from the Drilling Program at the Kalahari Platinum Project

PLA announced that the first results from the resource definition drilling program on the Kalahari Platinum ("Kalplats") Project extended the mineralization at both the Crater and Serpens North Deposits.

Exploration Decline Re-opened at the Panton PGM Project and a Bulk Sample Mined

The exploration decline at Panton was successfully re-opened and refurbished by Sally Malay Mining ("SMY") and a bulk sample assaying at ~7 g/t 3E PGM was mined and delivered to Ammtec Metallurgical Laboratories in Perth for laboratory scale and pilot plant test work.

PLA Issues 15 million Shares to Complete the Acquisition of 80% of the Smokey Hills PGM Project

On January 25th PLA announced that following the successful completion of the Bankable Feasibility Study and the Cession of the New Order Prospecting Right, it had issued 15 million shares as the final payment for the acquisition of the 80% interest in the Smokey Hills Project.

OPERATIONS

PLA operations were focused on the resource definition drilling program at Kalplats and on progressing the approvals process for the commencement of operations at Smokey Hills. In Australia Sally Malay Mining ("SMY") completed the mining of a high grade (~7 g/t 3E PGM) bulk sample from the exploration decline at Panton as part of their earn into a joint venture with PLA on part of the project.

Smokey Hills Platinum 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.

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 in excess of 600% using July 2006 metal prices and exchange rate.

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 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.

Dependent on the timing of the issuing of the necessary permits PLA proposes to commence construction and mining operations in early 2007 with plant commissioning occurring some 12 months later.

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 with the balance of the Project held 5% by the local community and 15% by Corridor Mining Resources, a company owned by the Limpopo Provincial Government.

Kalahari Platinum Project

The Kalplats Project is located 330 km west of Johannesburg and has an established (Indicated and Inferred) resource of 3.4 million ounces 3E PGM, including a high grade resource of 1.4 million ounces 3E PGM at a grade of 3.6 g/t 3E PGM. PLA believes that there is significant potential to increase the size of the resource as all deposits appear to be open at depth and along strike and PLA has identified numerous targets from geochemical survey work and a high resolution aeromagnetic survey completed by PLA in early 2005.

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

PLA and ARMplats have also applied for a prospecting right covering an area approximately 20 kilometres to the north and 18 kilometres to the south of the Kalplats area, increasing the total strike length held by the parties to almost 50 kilometres.

PLA and ARMplats will each have a 50% contributing interest in the new area and PLA will manage the exploration program which will target extensions of the known Kalplats style of PGM mineralisation.

Following the issue of a New Order Prospecting Right covering the project in September PLA commenced the resource definition drilling program which will comprise approximately 45,000 metres of drilling and by early October had three drill rigs working on the site. PLA anticipates it will complete this initial drilling in late 2007 allowing a Bankable Feasibility Study to be completed by the end of 2007.

An initial program of metallurgical testwork has already been undertaken with results indicating that a recovery of 80% can be achieved into a saleable PGM concentrate.

PLA believes that the existing resource will support the development of an open cut project producing 200,000 oz 3E PGM per annum. Further success from the drilling program could increase this to 300,000 oz 3E PGM per annum, making it a truly world class deposit.

Panton Platinum Palladium Project

The Panton Project is located in the Kimberley region of Western Australia, 60 km north of Halls Creek and 60 km south of the Sally Malay site. The Project has a (Measured + Indicated + Inferred) resource of 14.3 Mt at 5.2 g/t 7E PGM containing 2.4 million ounces 7E PGM, including a high grade resource of 10.1 Mt at 6.1 g/t 7E PGM containing 2 million oz 7E PGM.

Sally Malay Mining Limited (“SMY”) are earning a 50% interest in an initial parcel of 1.5 Mt of high grade ore by spending \$750,000 to complete a Bankable Feasibility Study to evaluate the mining of high grade ore from Panton and processing it through the Sally Malay Plant to produce a high grade PGM concentrate. The agreement may be extended to cover further parcels of ore.

Following the receipt of statutory approval SMY completed refurbishment of the exploration decline at Panton during the quarter and by early December had completed the mining of a high grade (~7 g/t 3E PGM) bulk sample of ore. This sample has been transported to Ammtec Metallurgical Laboratories in Perth for laboratory scale and pilot plant test work.

CORPORATE

The PLA Annual General Meeting was held on 30th November 2006 at which all resolutions, including the re-election of Eric Hughes as a non Executive Director were passed.

A total of 3.57 million listed 20 cent PLA options were exercised during the quarter raising \$713,033. These represent the balance of the 5.8 million 20 cent options which were issued in January 2004 and which expired on 30 November 2006.

Qualification Statement

We confirm that the exploration results and resources contained in this report are based on information compiled by Tony Greenaway, Geology & Resources Manager of Platinum Australia Limited, who is a member of The Australasian Institute of Mining and Metallurgy.

Tony Greenaway has more than five 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’. Tony Greenaway consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



JOHN LEWINS
Managing Director

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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")

31 December 2006

Consolidated Statement of Cash Flows

		Current quarter	Year to date (6 months)
		\$A'000	\$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(1,125)	(1,617)
	(b) development	(117)	(117)
	(c) production		
	(d) administration	(497)	(1,236)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	322	500
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)	(7)	-
	Net Operating Cash Flows	(1,424)	(2,470)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(81)	(104)
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities	(19)	(23)
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Money held in trust pending purchase of subsidiary	(489)	(489)
	Net investing cash flows	(589)	(616)
1.13	Total operating and investing cash flows (carried forward)	(2,013)	(3,086)

1.13	Total operating and investing cash flows (brought forward)	(2,013)	(3,086)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,133	1,273
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide detail if material) Fundraising Costs		
	Net financing cash flows	1,133	1,273
	Net increase (decrease) in cash held	(880)	(1,813)
1.20	Cash at beginning of quarter/year to date	23,042	24,013
1.21	Exchange rate adjustments to item 1.20	(23)	(61)
1.22	Cash at end of quarter (refer note below)	22,139	22,139

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

		Current quarter SA'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(135)
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	(2,500)
4.2 Development	(1,808)
Total	(4,308)

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	2,068	1,408
5.2 Deposits at call	20,071	21,634
5.3 Bank overdraft		
5.4 Other: Bank Guarantees	-	-
Total: cash at end of quarter (item 1.22)	22,139	23,042

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 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	184,480,523	184,480,523		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	4,765,166	4,765,166		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			Exercise price	Expiry date
	15,000	-	43.5 Cents	14 March 2007
	270,000	-	22.5 Cents	5 November 2008
	3,800,000	-	35 Cents	10 December 2009
	2,500,000	-	20 Cents	11 December 2009
	730,000	-	37 Cents	30 November 2009
	100,000	-	83 Cents	30 April 2010
	650,000	-	37.3 Cents	24 May 2011
	400,000	-	70 Cents	30 June 2010
	3,000,000	-	\$1.25	21 December 2011
7.8 Issued during quarter	3,000,000	-	\$1.25	21 December 2011
7.9 Exercised during quarter	3,565,166	3,565,166	20 Cents	30 November 2006
	1,200,000	-	35 Cents	10 December 2009
7.10 Expired during quarter	16,608	16,608	20 Cents	30 November 2006
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <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 January 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.