



PLATINUM AUSTRALIA LIMITED

ACN 093 417 942

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30 July 2004

QUARTERLY REPORT TO SHAREHOLDERS FOR THE PERIOD ENDED 30 JUNE, 2004

OPERATIONS

During the quarter Platinum Australia Limited (“PLA”) completed a drilling program at the Imagi Well PGM Project, undertook further testwork on the application of the “Panton Process” to previously untested ore from South Africa and continued to evaluate a number of potential PGM projects in South Africa.

South Africa

PLA completed preliminary testwork on the application of the Panton Process to an undeveloped project on the northern limb of the Bushveld complex. The results from this work, on a very low grade (<10 g/t PGM) concentrate, are considered extremely promising with the following recoveries achieved:

- Platinum - 76.4%;
- Palladium - 87.6%;
- Gold - 96.7%;
- Copper - 86.8%;
- Nickel - 66.7%; and
- Cobalt - 67.4%.

The leach recovery with time graphs for the tests are shown in Figures 1 and 2 below.

PLA are in discussions with a number of parties involved in projects on the northern limb area and expect to undertake further work in this area in the near future.

Figure 1

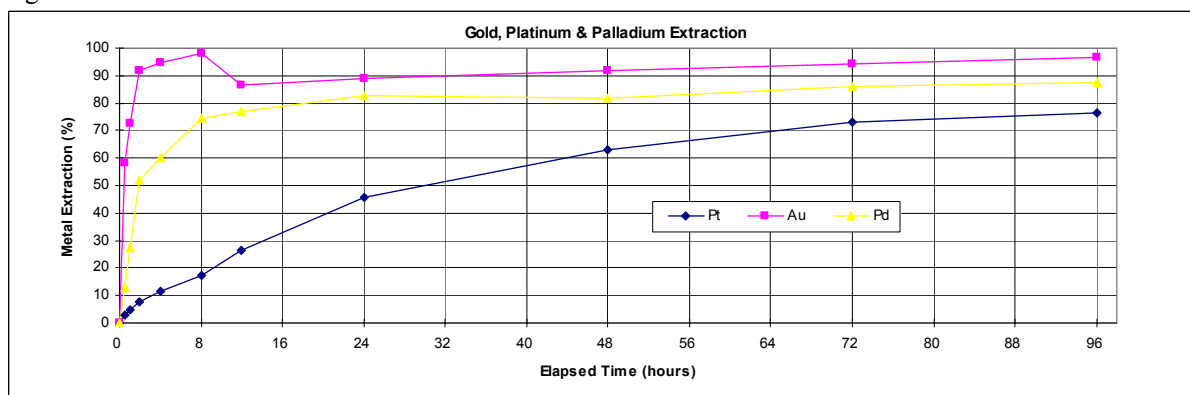
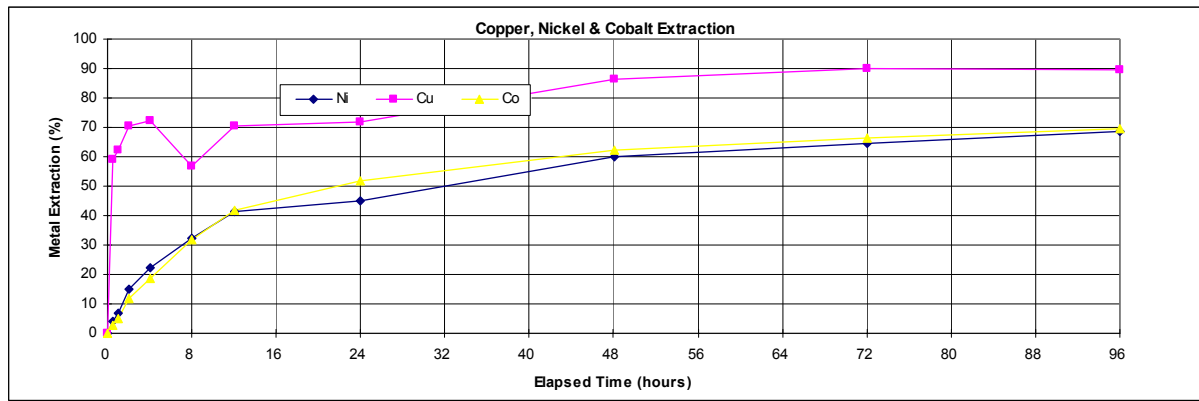


Figure 2



In addition PLA are in detailed discussions with a number of other parties and will be undertaking testwork on the application of the “Panton Process” to a number of other ores and potential feed sources.

Imagi Well JV (PLA 80% interest)

The results from the diamond drilling program completed on the project although returning anomalous values were generally disappointing, with the best intersection being 4 m @ 363 ppb platinum + palladium in hole BDD082. A detailed review of the project is currently underway.

Melville Gold Project (PLA 25% carried interest)

Prosperity Resources (“Prosperity”) has completed a further drilling program of drilling on the project and has announced that it has identified a further three gold mineralised zones northwards along the Melville Shear Zone. Significant results included the following: -

- 8m @ 4.6 g/t Au
- 4m @ 4.17 g/t Au
- 9 m @ 1.67 g/t Au (including 2m @ 4.9 g/t Au)
- 2m @ 1.75 g/t Au
- 2m @ 1.45 g/t Au

Prosperity plans to undertake further RC drilling in the coming quarter and has also initiated metallurgical testwork on samples from the deposit.

* 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")

June 2004

Consolidated Statement of Cash Flows

	Current quarter \$A'000	Year to date (12 months) \$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	(393)	(1248)
(b) development	-	-
(c) production	-	-
(d) administration	(323)	(1150)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	23	75
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	9
Net Operating Cash Flows	(693)	(2314)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(1)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	89
(c) other fixed assets	101	105
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	101	193
1.13 Total operating and investing cash flows (carried forward)	(592)	(2121)

1.13	Total operating and investing cash flows (brought forward)	(592)	(2121)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	2356
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	-	(113)
	Net financing cash flows	-	2243
	Net increase (decrease) in cash held	(592)	122
1.20	Cash at beginning of quarter/year to date	2202	1488
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1610	1610

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	100
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

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	345
4.2 Development	-
Total	345

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	156	48
5.2 Deposits at call	1454	2154
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1610	2202

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 (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	81,391,218	81,391,218		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	25,346	25,346	20 Cents	20 Cents
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	34,265,450	34,265,450	Exercise price 20 Cents	Expiry date 1 September 2004
	5,799,465	5,799,465	20 Cents	30 November 2006
	20,000	-	47 Cents	3 April 2005
	120,000	-	20 Cents	14 March 2007
	1,000,000	-	20 Cents	29 October 2005
7.8 Issued during quarter				
7.9 Exercised during quarter	25,000	25,000	20 Cents	1 September 2004
	346	346	20 Cents	30 November 2006
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Compliance Statement

- 1 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).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 30 July 2004
(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.