



PLATINUM AUSTRALIA LIMITED

ACN 093 417 942

3rd Floor, 18 Richardson Street, West Perth
Western Australia 6005

Telephone: (08) 9324 1491
Facsimile: (08) 9226 4259

Our ref: ASX0562JDL:30.3:JW

PO Box 1083, West Perth
Western Australia 6872

Email: mail@platinumaus.com
Website: www.platinumaus.com

28 October 2005

QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER, 2005

HIGHLIGHTS

Resource Definition Drilling Program at the Smokey Hills PGM Project

In July Platinum Australia Limited ("PLA") commenced a diamond drilling program aimed at defining the total resource at the Smokey Hills Project. The program would consist of up to 50 diamond holes for a total of 5,000 metres and is due for completion by the end of 2005. Results from the program were announced during the quarter and by the end of the quarter the results from the first 14 holes drilled on the project had been announced and approximately 2,000 metres of the 5,000 metres had been completed.

GRD Minproc awarded the contract for the Feasibility Studies on the Smokey Hills and Kalahari Platinum Projects

In October PLA announced it had awarded the contract for the Lead Engineer on the Smokey Hills Platinum Project Bankable Feasibility Study and the Kalahari Platinum Project Pre and Bankable Feasibility Studies to GRD Minproc (Pty) Ltd.

Platinum Australia to List on London AIM Market

In September PLA announced that it anticipated completing the compliance or "Fast Track" procedure for admission to AIM in the December quarter of 2005. PLA also announced the appointment of Nabarro Wells & Co Limited as Nominated Advisor ("NOMAD") and the London broking firm, Hichens Harrison & Co Plc as Broker to the Company.

Placement of 30 Million Ordinary Fully Paid Shares

PLA announced the placement of 30 million shares at 20 cents per share in October to raise \$6 million. An initial 18.3 million shares were issued on 24 October, with the balance of 11.7 million to be issued subject to shareholder approval following the AGM. The funds will be used to complete the Bankable Feasibility Study on the Smokey Hills PGM Project and the Pre Feasibility Study on the Kalahari PGM Project.

OPERATIONS

PLA operations continued to focus on the Kalplats and Smokey Hills Projects in South Africa, see Figure 1.

Smokey Hills Platinum Project

The Smokey Hills PGM Project has over 6 kilometres of mapped UG2 reef outcropping around the margin of two hills. PLA commenced a resource definition drilling program in July and by the end of the quarter had

completed 20 diamond holes on the project and received results for the first 14, the results of which are provided in Table 1 below.

The drilling program was approximately 40% complete by the end of the quarter and on track for completion by December 2005. The contract for the Lead Engineer for the Bankable Feasibility Study for the project has been awarded to GRD Minproc and this is due for completion by June 2006. Subject to the successful completion of this Study, PLA believes that the Smokey Hills Project has the potential to produce approximately 90,000 ounces 4E PGM per year.

TABLE 1 - SMOKEY HILLS DIAMOND RESULTS

Hole No	UG2 Intersection		Width	Pt g/t	Pd g/t	Rh g/t	Au g/t	4E	
	From	To						PGM ¹ g/t	
SHDD001*	75.90	76.81	0.91	3.78	3.56	0.87	0.12	8.37	
SHDD002*	97.35	97.96	0.61	4.38	3.89	0.94	0.07	9.28	
	106.75	107.55	0.8	3.94	2.95	0.82	0.07	7.78	
SHDD003*	26.01	26.58	0.57	4.1	4.96	0.89	0.17	10.12	
SHDD005	39.45	40.14	0.69	3.78	4.76	0.78	0.11	8.82	
SHDD006	24.56	25.18	0.62	3.38	1.95	0.55	0.10	5.99	
SHDD007	28.25	28.86	0.61	3.88	3.52	0.81	0.1	8.32	
SHDD008	62.37	63.04	0.67	3.57	3.22	0.81	0.06	7.67	
SHDD009	143.68	144.23	0.55	3.90	3.66	0.74	0.11	8.41	
SHDD009 W2	143.87	144.42	0.55	3.71	3.69	0.74	0.13	8.27	
SHDD010	153.52	154.10	0.58	3.75	4.24	0.75	0.11	8.57	
SHDD011	No Reef Intersected – Mafic Intrusive Dyke								
SHDD012	117.31	117.90	0.59	4.05	3.72	0.83	0.09	8.68	
SHDD013	150.00	150.81	0.81	4.24	4.34	0.81	0.12	9.51	
SHDD014	44.62	44.91	0.29	5.58	5.39	1.11	0.09	12.17	

¹ 4E PGM - Pt + Pd + Rh + Au

Assays are fire assays with nickel sulphide collection and ICP– OES element determination

Assay by SGS Lakefield, Johannesburg, South Africa, a SANAS registered laboratory No T0169

* Assays are fire assays with nickel sulphide collection and ICP– MS element determination

* Assay by Genalysis Laboratory Services, Perth, Western Australia, a NATA registered laboratory No 3244

Kalahari Platinum Project

The Kalplats Project is an advanced exploration project where drilling to date has identified a shallow resource to a depth of approximately 150 metres of 3.4 million ounces of 3E PGM (platinum + palladium + gold), including a high grade resource of 1.4 million ounces 3E PGM at a grade of 3.6 g/t 3E PGM. A total of seven deposits have been identified to date, all of which remain open at depth and along strike. In addition three further prospects have been identified which have yet to be drilled.

PLA are awaiting the issue of a “New Order” Prospecting Right covering the project to allow a planned Pre Feasibility Study (“PFS”) drilling program of approximately 15,000 metres to commence. Work on the project was limited to continuing re-logging of core from previous drilling, establishing a new data base for existing and new data and processing of the data from the detailed airborne magnetic and radiometric survey flown by PLA earlier in the year. In addition PLA has also commenced a program of metallurgical test work using samples available from previous programs.

The contract for the Lead Engineer for the Pre and Bankable Feasibility Studies for the project has been awarded to GRD Minproc. The PFS is due for completion by June 2006 and the BFS nine to twelve months later.

Figure 1 PLA South African Projects

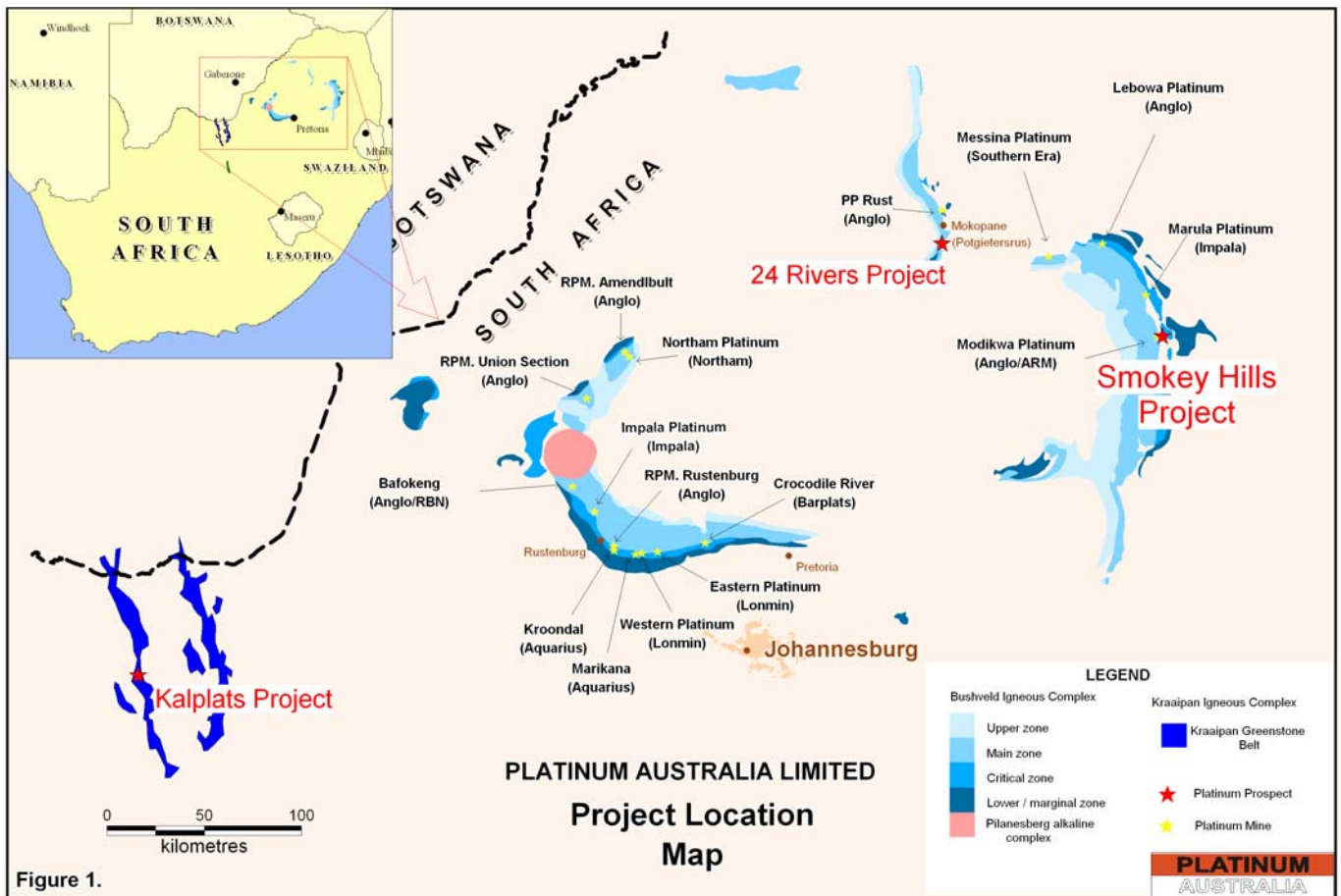


Figure 1.

CORPORATE

PLA announced the placement of 30 million fully paid ordinary shares at 20 cents per share in October to institutions and sophisticated investors clients of Bell Potter Securities Limited to raise \$6 million. An initial 18.3 million shares were issued on 24 October, with the balance of 11.7 million to be issued subject to shareholder approval following the AGM. The Anglo Pacific Group and NewSmith Global Opportunities Fund participated in the placement and after the initial issue remain our largest and second largest shareholders, with interests of 17.5% and 17.3% respectively.

The funds will be used to complete the Bankable Feasibility Study on the Smokey Hills PGM Project and the Pre Feasibility Study on the Kalahari PGM Project, together with ongoing working capital.

JOHN LEWINS
Managing Director

* 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")

September 2005

Consolidated Statement of Cash Flows

		Current quarter	Year to date (3 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 (b) development (c) production (d) administration	(612)	(612)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	51	51
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(1,087)	(1,087)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(14)	(14)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities	(13)	(13)
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(27)	(27)
1.13	Total operating and investing cash flows (carried forward)	(1,114)	(1,114)

1.13	Total operating and investing cash flows (brought forward)	(1,114)	(1,114)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,750	2,750
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	(140)	(140)
	Net financing cash flows	2,610	2,610
	Net increase (decrease) in cash held	1,496	1,496
1.20	Cash at beginning of quarter/year to date	2,546	2,546
1.21	Exchange rate adjustments to item 1.20	81	81
1.22	Cash at end of quarter (refer note below)	4,123	4,123

NB. Subsequent to the end of the quarter, the company raised \$2.75M in additional working capital via a private placement.

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 \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	168
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Included in cash is a bank guarantee being held as consideration for the acquisition of an interest in the Smokey Hills Joint Venture. Release of the funds is subject to the granting of a new order right in accordance with South African mining legislation.

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	1,275
4.2 Development	
Total	1,275

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	93	15
5.2 Deposits at call	1,315	128
5.3 Bank overdraft		
5.4 Other: Bank Guarantees	2,715	2,403
Total: cash at end of quarter (item 1.22)	4,123	2,546

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	124,612,523	124,612,523		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	25,000,000	25,000,000		
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
	5,799,213	5,799,213	20 Cents	30 November 2006
	15,000	-	43.5 Cents	14 March 2007
	1,000,000	-	20 Cents	29 October 2005
	270,000	-	22.5 Cents	5 November 2008
	5,000,000	-	35 Cents	10 December 2009
	2,500,000	-	20 Cents	11 December 2009
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Cancelled during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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: 28 October 2005
(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.