



PLATINUM AUSTRALIA LIMITED

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31 January 2005

QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER, 2004

HIGHLIGHTS

Platinum Australia Limited Acquires Second Advanced PGM project in South Africa

In November Platinum Australia Limited ("PLA") announced it had signed a binding Heads of Agreement to acquire a majority interest in the Smokey Hills PGM Project in the eastern limb of South Africa's Bushveld Complex. The Project is up dip and immediately adjacent to the Modikwa Platinum Mine, an African Rainbow Minerals Platinum and Anglo Platinum joint venture which produces 360,000 ozs PGM per annum mining the UG2 reef.

PLA commenced diamond drilling on the Smokey Hills Project in late November and intersected good UG2 reef in all three holes completed prior to the Christmas break. The results from the three holes gave an average estimated true thickness of 0.72 metres at a grade of 8.74 g/t 4E PGM (platinum + palladium + rhodium + gold) which compared very favourable with the average assay and thickness of 0.55 metres @ 8.79 g/t 4E PGM from previous sampling of the reef outcrop.

PLA made two placements totalling 18.2 million shares at 20 cents during the quarter, raising \$3.64 million to be used to purchase and advance the Smokey Hills Platinum Project and to advance the Kalahari Platinum Project ("Kalplats").

OPERATIONS

Over the past two quarters PLA has announced agreements to acquire interests in three PGM Projects in South Africa, Kalplats, Smokey Hills and 24 Rivers (Figure 1). PLA intends to undertake work on all three projects in the coming quarter.

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 collected 9 channel samples across the full width of the UG2 reef along approximately 3.5 kilometres of exposed reef. The sample assays showed relatively minor variation and an average of 8.79 g/t 4E PGM over an average reef width of approximately 0.55 metres.

Based on the sampling of the reef outcrop by PLA and the well established continuity of the UG2 reef which is mined over tens of kilometres in numerous mines, PLA estimated that there was a target of up to 1 million ounces of 4E PGM in the Smokey Hills Project area.

As part of the due diligence PLA drilled three diamond drill holes on the project during the quarter. The results from these holes show an average estimated true thickness intersection of UG2 reef of 0.72 metres at a grade of 8.74 g/t 4E PGM. It is considered significant that the average grade of the three drill holes at 8.74 g/t 4E PGM is almost identical to that from the sampling of the reef outcrop, but the average estimated true thickness is over 30% greater at 0.72 metres. This has potential implications in terms of the target size for the project area.

It should be noted that this target is of a conceptual nature and does not imply that a mineral resource has been or will be defined; however the results from the current drilling have significantly increased the confidence in the potential of the project.

TABLE 1 - SMOKEY HILLS DIAMOND RESULTS

Hole No	UG2 Intersection		Width	Pt	Pd	Rh	Au	4E PGM ¹	7E PGM ²
	From	To		g/t	g/t	g/t	g/t	g/t	g/t
SHDD001	75.90	76.81	0.91	3.78	3.56	0.87	0.12	8.37	9.66
SHDD002	97.35	97.96	0.61	4.38	3.89	0.94	0.07	9.28	11.27
	106.75	107.55	0.80	3.94	2.95	0.82	0.07	7.78	9.53
SHDD003	26.01	26.58	0.57	4.10	4.96	0.89	0.17	10.12	11.93

1 4E PGM - Pt + Pd + Rh + Au

2 7E PGM - Pt + Pd + Rh + Ru + Ir + Os + Au

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

Subject to the completion of a Bankable Level Feasibility Study, PLA believes that the Smokey Hills Project has the potential to produce approximately 75,000 ounces 4E PGM per year.

A comprehensive drilling program is planned to commence in the coming month aimed at defining a JORC compliant resource for the project as part of a Bankable Feasibility Study (“BFS”).

PLA believes that the shallow outcropping nature and geometry of the UG2 reef at Smokey Hills facilitates a rapid and low cost completion of the resource definition and project evaluation phases necessary to bring the project into production. It is anticipated that the drilling of the Smokey Hills Project could be completed early in 2005 and that a BFS could be completed in the second half of 2005.

Under the terms of the Heads of Agreement, PLA will acquire 74% of South African company Geoplat Resources Ltd (“GPL”) by providing funds to GPL to allow it to acquire 80% of the Smokey Hills PGM Project. PLA can acquire the balance of the 26% shareholding in GPL for 15 million fully paid ordinary shares in PLA (escalated proportionately in the event of any subsequent share issues prior to the completion of the feasibility study).

Kalahari Platinum Project

PLA is in the process of finalising the definitive Joint Venture Agreement with African Rainbow Minerals Platinum (“ARMplatinum”) for the Kalahari Platinum Project (“Kalplats”). Under the Agreement PLA will earn up to 49% in the project by completing all work necessary to bring the Kalplats PGM Project to the stage of development, including, without limitation, exploration and resource definition drilling, metallurgical testwork and a bankable feasibility study and making available the Pantan Process and other intellectual property which it is capable of providing to the joint venture at no cost.

PLA has scheduled an airborne geophysical survey for early in 2005 as the first stage of the initial phase of work necessary to complete a Pre Feasibility Study. The results from this work will be used to refine the design of the initial drilling program due to commence when all approvals and permits are in place.

Figure 1 PLA South African Projects

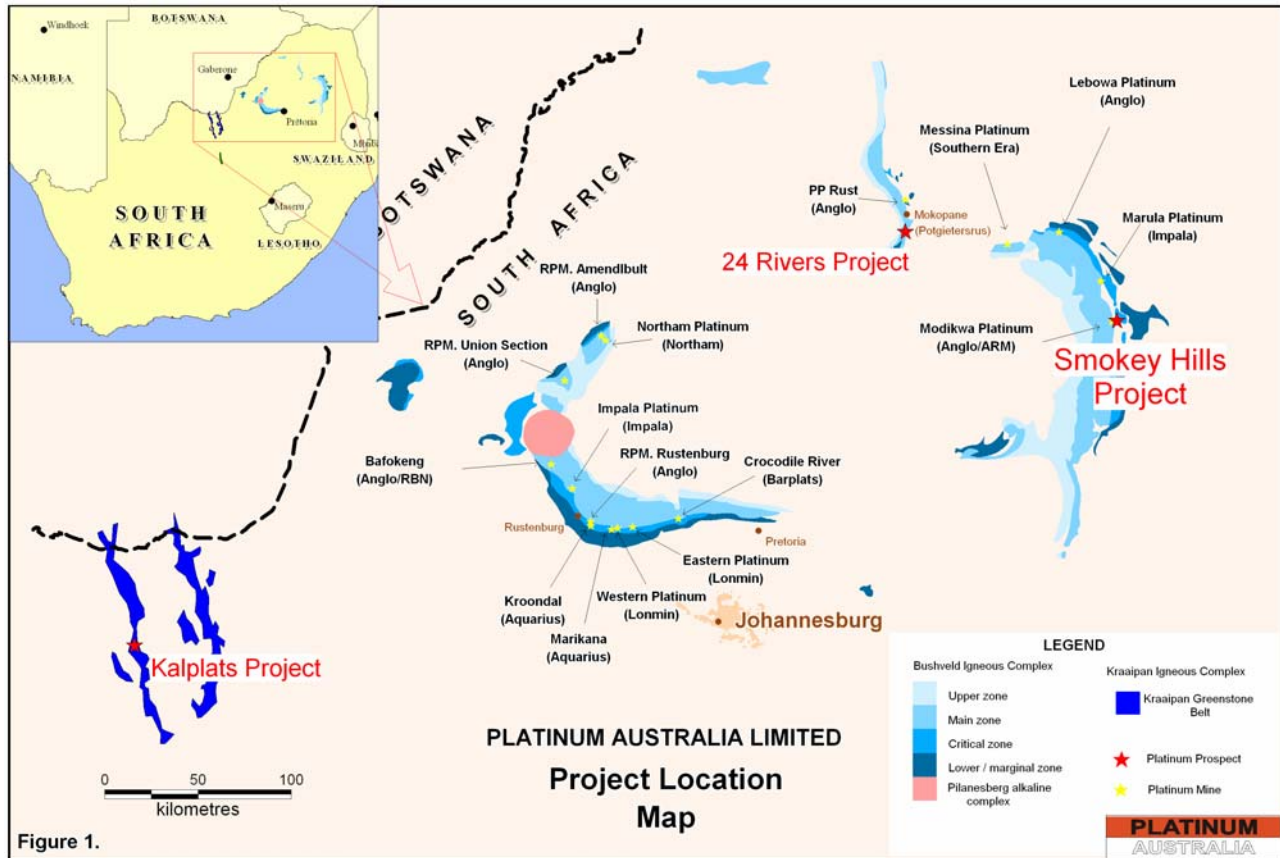


Figure 1.

CORPORATE

The Annual General Meeting was held on 25 November at which Mr Michael Blakiston and Mr William Hansen were re-elected and approval was granted to place up to 25 million fully paid ordinary shares in the Company.

PLA made two placements totalling 18.2 million shares at 20 cents raising \$3.62 million during the quarter. These funds will be used to purchase the Smokey Hills Platinum Project; to advance the Smokey Hills and Kalahari Platinum Projects; and to provide general 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")

December 2004

Consolidated Statement of Cash Flows

		Current quarter	Year to date
		SA'000	(6 months)
		SA'000	SA'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	(364)	(585)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	19	35
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	(475)	(1,004)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(3)	(6)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	-	1
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(3)	(5)
1.13	Total operating and investing cash flows (carried forward)	(478)	(1,009)

1.13	Total operating and investing cash flows (brought forward)	(478)	(1,009)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,640	3,644
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	(134)	(134)
	Net financing cash flows	3,506	3,510
	Net increase (decrease) in cash held	3,028	2,501
1.20	Cash at beginning of quarter/year to date	1,083	1,610
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	4,111	4,111

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	110
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	750
4.2 Development	
Total	750

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	79	41
5.2 Deposits at call	4,032	1,042
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4,111	1,083

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			

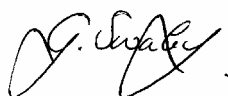
Issued and Quoted Securities at end of Current Quarter

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	99,612,523	99,612,523		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	18,200,000	18,200,000	20 Cents	20 Cents
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>	5,799,213	5,799,213	Exercise price 20 Cents	Expiry date 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	270,000	-	Exercise price 22.5 Cents	Expiry date 5 November 2008
	5,000,000	-	35 Cents	10 December 2009
	2,500,000	-	20 Cents	11 December 2009
7.9 Exercised during quarter				
7.10 Cancelled during quarter	105,000	-	43.5 Cents	14 March 2007
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: 31 January 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.