



PLATINUM AUSTRALIA LIMITED

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28 April 2006

QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2006

HIGHLIGHTS

Measured and Indicated Resource Estimate for the Smokey Hills PGM Project

Platinum Australia Limited (ASX:PLA) (AIM:PLAA) announced that the Measured and Indicated Resource estimate (diluted) for the Smokey Hills PGM Project was 5.3 million tonnes at a grade of 5.61 g/t 4E PGM (platinum + palladium + rhodium + gold).

The resource estimate for the Project was completed by Snowden Mining Industry Consultants based on a diluted UG2 Reef including a 15 cm Footwall Cut and a Hangingwall Cut to the L2 parting (approximately 25cm) for an average thickness of approximately 1.1 metre. This approach is consistent with South African platinum mining industry practice of reporting a minimum resource width of approximately 1 metre or in this case to a known parting or geological structure, based on mining constraints.

Excellent Metallurgical Results for Smokey Hills Feasibility Study

Results from metallurgical test work carried out on samples from the Smokey Hills PGM Project achieved flotation recoveries in excess of 88% into a final saleable concentrate.

New Order Prospecting Right Issued for Smokey Hills PGM Project

A New Order Prospecting Right has now been issued covering the Smokey Hills PGM Project. This replaces the existing Prospecting Permit for the project.

OPERATIONS

PLA operations in South Africa were focused on completing the Bankable Feasibility Study ("BFS") for the Smokey Hills PGM Project and the Pre Feasibility Study ("PFS") on the Kalahari Platinum Project ("Kalplats"). In Australia Sally Malay Mining ("SMY") are undertaking work to update the previously completed BFS on our Panton PGM Project as part of a joint venture agreement to earn an interest in the project located in the Kimberley region of Western Australia.

Smokey Hills Platinum Project

The Smokey Hills PGM Project is located on the eastern limb of the Bushveld Complex in the Limpopo Province of South Africa, 300 kilometres north east of Johannesburg. The Project is adjacent to and up dip from the existing Modikwa Platinum Mine owned by African Rainbow Minerals and Anglo Platinum.

PLA is currently undertaking a Bankable Feasibility Study (“BFS”) on the Project and recently completed a resource definition program which included drilling 68 diamond drill holes, systematic sampling of outcrop, adit and surface box cuts, a detailed aeromagnetic survey and detailed geological mapping and interpretation. This identified a Measured and Indicated UG2 Reef Resource of 5.3 million tonnes at a grade of 5.61 g/t 4E PGM (platinum + palladium + rhodium + gold) containing 960,000 oz 4E PGM. Please see table 1 below.

Table 1									
Smokey Hills PGM Project UG2 Reef^{#1} Mineral Resource^{#2}									
	Tonnes^{#3}	4E PGM	6E PGM	Pt	Pd	Rh	Au	Ru	Ir
	Mt	g/t	g/t	g/t	g/t	g/t	g/t	g/t	g/t
Measured	3.5	5.62	6.63	2.47	2.56	0.51	0.08	0.80	0.21
Indicated	1.8	5.61	6.62	2.48	2.54	0.51	0.08	0.80	0.21
Total	5.3	5.61	6.62	2.47	2.55	0.51	0.08	0.80	0.21

#1 The UG2 Reef, as defined for this resource estimate, comprises the UG2 Chromite Layer, a 15 cm Footwall Cut and a Hangingwall Cut to the L2 parting.

#2 All tabulated data has been rounded to one decimal place for tonnage and two decimal places for grades.

#3 After interpreted geological losses of 21% have been removed. Geological losses include potholes, dykes, faults, rolling reefs and Iron Rich Ultramafic Pegmatite.

The proposed development of the Project is based on mining the UG2 reef by open pit and shallow underground methods and on site treatment to produce a flotation concentrate for sale to nearby smelters. The study is due for completion by end of June 2006 and is being completed using Independent consultants and contractors including GRD Minproc as the Lead Engineers, Snowden for the Resource Estimate and Mining Study, SRK Consulting for Tailings and Hydro-geological studies and Africa Geo-Environmental Services for the Environmental Study.

Kalahari Platinum Project

The Kalplats Project is located 330 km west of Johannesburg and has an established resource of 3.4 million ounces 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. 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 have identified numerous targets from geochemical survey work and a high resolution aeromagnetic survey completed by PLA in early 2005.

An initial metallurgical test work program has been completed using samples from existing diamond drill core. The results from this work indicate that recoveries in excess of 80% could be achieved into a final saleable concentrate. A further test work program is scheduled to commence in the coming quarter.

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.

Further potential has also been identified along strike from the Kalplats Project area from regional geology and aeromagnetic data as well as from the high resolution aeromagnetic survey completed by PLA. As a result of this PLA and ARMplats have applied for a Prospecting Right covering an area 20 km to the north and 18 km to the south of the Kalplats Project area. PLA and ARMplats are now awaiting the issue of a Prospecting Right for this following the acceptance of the application by the DME.

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 resource of 14.3 Mt at 5.2 g/t 7E PGM (platinum + palladium + rhodium + ruthenium + iridium + osmium + gold) 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 ounces 7E PGM.

Development of the Panton Project has been on hold since PLA completed a detailed feasibility study in August 2003 which found that the project was technically feasible but not commercially viable at the prevailing metal prices and US\$ exchange rate. The increasing strength of metal prices has seen platinum and palladium prices increase by 65% and 100% respectively and gold by almost 80% since the project was put on hold. PLA believes that these price increases combined with the savings in capital cost realised by using the Sally Malay plant significantly enhances the project.

Under the terms of the letter of agreement, SMY will spend up to \$750,000 in two stages 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. If the study is positive and a number of other conditions are satisfied SMY can earn a 50% interest in the first 1.5 Mt of high grade ore to be mined from the Panton Project. The agreement may be extended to cover further parcels of ore.

SMY have completed preliminary metallurgical test work on the project which has confirmed previous results achieved by PLA. SMY are now moving to the next stage of the study which will involve developing capital and operating cost estimates for the treatment of Panton Ore using the Sally Malay plant incorporating the “Panton Process”. This work will also involve mining a small parcel of high grade Panton Ore from the existing decline and treatment through a pilot plant. The further treatment of a larger parcel of +2,500 tonnes may be considered this year assuming a positive outcome from study.

Figure 1 PLA South African Projects

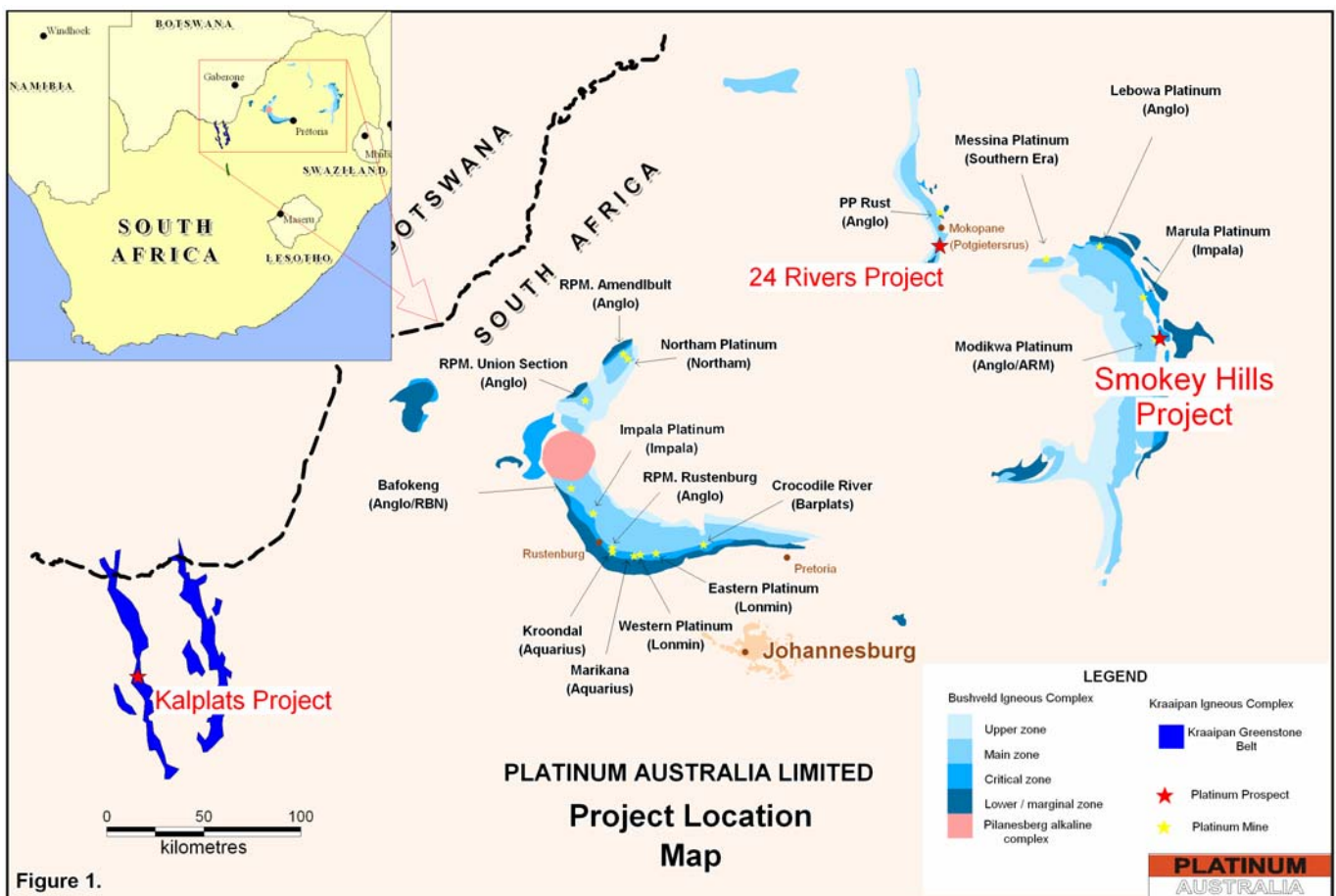


Figure 1.

CORPORATE

A successful Analysts and Investor Tour of the Smokey Hills and Kalplats Project was undertaken during February following the annual Indaba Conference in South Africa. The tour group included analysts from Sydney, Melbourne and London as well as media. The reports and coverage following this tour have all been extremely positive and have helped to fully inform the market on the exciting potential of our projects.

Qualification Statement

We confirm that exploration results 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 sufficient 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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* 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")

March 2006

Consolidated Statement of Cash Flows

		Current quarter	Year to date (9 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	(884)	(2,452)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	101	243
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	(1,149)	(3,579)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(53)	(87)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities	(7)	(19)
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(60)	(106)
1.13	Total operating and investing cash flows (carried forward)	(1,209)	(3,685)

1.13	Total operating and investing cash flows (brought forward)	(1,209)	(3,685)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	4	8,795
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	(108)	(580)
	Net financing cash flows	(104)	8,215
	Net increase (decrease) in cash held	(1,313)	4,530
1.20	Cash at beginning of quarter/year to date	8,764	2,546
1.21	Exchange rate adjustments to item 1.20	106	481
1.22	Cash at end of quarter (refer note below)	7,557	7,557

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	80
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	1,252
4.2 Development	
Total	1,252

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	50	15
5.2 Deposits at call	4,737	6,016
5.3 Bank overdraft		
5.4 Other: Bank Guarantees	2,770	2,733
Total: cash at end of quarter (item 1.22)	7,557	8,764

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	155,287,575	155,287,575		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	18,632	18,632		
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
	5,774,161	5,774,161	20 Cents	30 November 2006
	15,000	-	43.5 Cents	14 March 2007
	270,000	-	22.5 Cents	5 November 2008
	5,000,000	-	35 Cents	10 December 2009
	2,500,000	-	20 Cents	11 December 2009
	730,000	-	37 Cents	30 November 2009
7.8 Issued during quarter				
7.9 Exercised during quarter	18,632	18,632	20 Cents	30 November 2006
7.10 Expired 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 April 2006
(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.