

# Strachan Corporate

AFS Licence No 259730

December 7, 2005

## Platinum Australia Limited

Developing Two South African Platinum Projects

### Key Investment Drivers

- ◇ Platinum Australia is well funded to progress bankable feasibility studies at both the Smokey Hills and Kalplats JVs while aggressively exploring its Kalplats permit.
- ◇ The company has solid Black Economic Empowerment partners either in place, or close to joining the projects.
- ◇ The outlook for platinum group metals remains positive, based on their growing use in catalytic converters, which are used to reduce auto emissions.
- ◇ The South African Rand acts as a buffer for project profitability, moving counter to metal prices.
- ◇ A first pass valuation for PLA's assets shows strong grounds for capital appreciation even after dilution for further new equity issues.

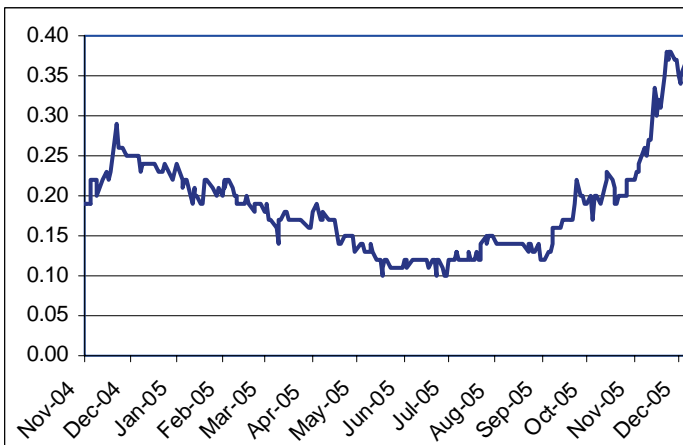
### Capital Structure

Capital Structure	
<b>ASX Code</b>	<b>PLA</b>
<b>Shares</b>	155 m. 15 for Smokey Hills
<b>Options</b>	5.8 11/06 @20 cts 5.0 12/09 @35 cts 2.5 12/09 @20 cts
<b>Price</b>	\$ 0.35
<b>Market Cap</b>	\$ 60 m.
<b>Cash</b>	\$ 8.0 m.

### Board

Mr Peter Allchurch	Chairman
Mr John Lewins	Managing Director
Mr Eric Hughes	Non-Executive Director
Mr Michael Blakiston	Non-Executive Director
Mr Lex Hansen	Non-Executive Director
Ms Gillian Swaby	Company Secretary

### Share Price



### Opinion\*

After a long gestation period, during which management carefully developed relationships in South Africa, Platinum Australian Limited (PLA) has positioned itself for growth in low cost production of Platinum Group Metals (PGMs).

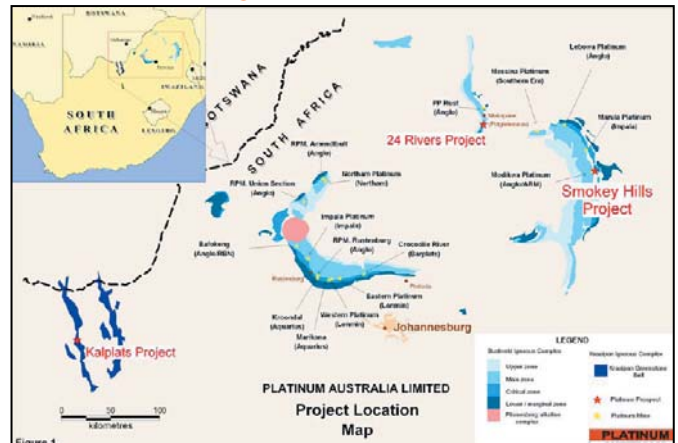
The company is well advanced on a small, 80% owned project at Smokey Hills where production of 90Koz pa over a 7 year project life could commence by H2 2006. At the Kalahari project, PLA is earning a 49% interest by completing a BFS. Drilling during Q1 2007 is set to expand and upgrade resources, aiming for +10 year open pit project at +185Koz pa of PGMs with potential for underground mining to follow.

PLA is trading with an undemanding, \$17 of market cap per oz of attributable PGM resource.

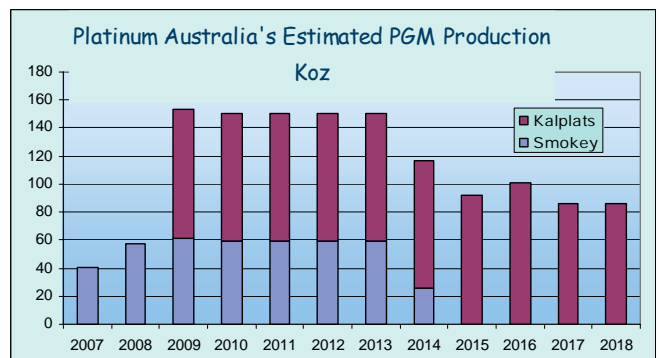
Peter Strachan

\* No recommendation is offered for commissioned research

### Project Locations



### Forecast Equity PGM Production



Source: Strachan Corporate Ltd

Cont. Next Page

## Platinum Australia Ltd

**PLA is developing 2  
PGM mines in South  
Africa**

**One in Australia**

**Aiming for 150Koz pa  
equity share of PGM  
production by 2009**

**Mineralisation at  
Smokey Hills has  
been upgraded . .**

**. . BFS expected by  
Q2 2006 for 7 year  
project**

**PLA moving to 64% of  
92Koz pa PGMs**

**Cash cost of  
US\$260/oz**

**Potential upside**

**Possible JV with  
neighbour**

## Summary

PLA is acquiring an 80% interest in the Smokey Hills Platinum project on the eastern limb of South Africa's Bushveld Complex. Recent drilling supports a resource containing over 900,000 oz of PGMs. The company aims to commence mining in H2 2006; initially selling ore to a nearby mill for 12 months while it establishes a concentrator facility to produce about 90,000 oz pa of PGMs. PLA is earning a 49% interest in a permit in the Kraaipan Greenstone Belt, by completing a BFS with the aim of producing over 185,000 oz pa of PGM from an open pit operation, with potential for extended underground mining.

PLA owns 100% of Australia's largest PGM deposit at Panton in the north of Western Australia where Sally Malay Mining is conducting a BFS and has recently raised sufficient funds to progress with a BFS for Smokey Hills.

## Projects

### Smokey Hills (80%)

Platinum Australia (PLA) has negotiated a joint venture at the Smokey Hills permit, covering an outcropping extension to the UG2 PGM reef system on the eastern edge of South Africa's Bushveld layered intrusive complex, from which most of the world's platinum is produced. PLA must issue 15m shares as a final consideration for its purchase of this interest. PLA's partners are the Limpopo Provincial Government (15%) and a group representing the local community (5%). Compliance with South Africa's Black Economic Empowerment legislation will see PLA sell down its interest to 64% of the project on "commercial terms" which are yet to be determined, but which the company believes will assist its funding commitment.

This mineralised reef system shows consistent PGM grades throughout PLA's permit, averaging 8.75g/t combined 4E PGM (Pt, Pd, Rh & Au) with an average mineralised width of about 0.65m. The reef has a shallow dip of about 12° to the west. To the north of the project area, Impala and Anglo Platinum run underground mines at Marula and Twickenham, respectively while a 50/50 JV operation between African Rainbow Minerals (ARM) and Anglo Platinum, called the Modikwa mine is situated on the adjoining boundary, down dip to the west and along strike to the south.

The deposit occurs in two zones. The more southerly zone cuts almost horizontally through a hill and so outcrops in all directions at its edge, while the northern zone outcrops only on its high, eastern side and dips into the adjoining permit. PLA has drilled the deposit in detail to enable an accurate calculation of reserves on site.

PLA is preparing a bankable feasibility study (BFS) for US\$35m project to mine and process 700,000tpa of ore to produce up to 95,000 oz pa of PGMs in concentrate at a cash operating cost close to US\$260/oz of combined PGMs plus gold. Although the metallurgy of this mineralisation is well understood, PLA will conduct extra tests to ensure that production of a saleable concentrate is relatively straight forward. The plan envisages mining of about 4.8 million tonnes of ore, approximately 25% of which by open cut mining, over a period of 7 years to produce approximately 660,000 oz of PGMs contained in concentrate or direct shipment ore.

PLA plans to commence operations by construction of an open pit operation on the western side of the main outcropping ore body from where it can develop underground operations to selectively access the mineralised reef at a mining width of ~1.1 metres. On its more northerly deposit, underground development will start immediately, from the surface, since the ground conditions are good, with oxidisation only extending about 7m down dip. Subject to commercial negotiations now underway, PLA could commence mining operations in H2 2006 so as to sell ore to one of its neighbours, where extra concentrator capacity is available, while constructing its own concentrator on site. Under this scenario, PGM concentrate would be sold to a nearby smelter from H2 2007, over a mine life of about 6-7 years.

The Smokey Hills project has potential to extend its life and expand its scope by negotiating a deal with the owners of the neighbouring Modikwa mine to access ore beyond its western boundary. Modikwa has a 75 year project life, but ore adjacent to PLA's ground is not scheduled to be mined for at least 10 years. If a joint venture were to be formed over part of this ore, PLA could bring forward access to these ounces and access a further 2moz of PGM's which would be shared with Modikwa. In return, Modikwa would be offered equity in the Smokey Hills JV.

## Platinum Australia Ltd

### Metal Price Assumptions

Price Mix	Pt	850	Pd	240	Gold	465	Rh	2000
USD:ZAR		6.7						
PGM Price	US\$/oz	681						

Source:Strachan Corporate Pty Ltd

### Production Schedule

Y/E 30 June		2007	2008	2009	2010	2011	2012	2013	2014
<b>Mining &amp; Processing</b>									
Open pit ore	Kt	360	600	300					
U/G ore	Kt		50	400	700	700	700	700	300
Grade PGM	g/t	5.5	5.5	5.2	5.0	5.0	5.0	5.0	5.0
Contained PGM	oz	63.7	114.1	117.3	112.5	112.5	112.5	112.5	48.2
Recovery	%	78%	78%	82%	82%	82%	82%	82%	82%
PGM Production	Koz	63.7	89.0	96.2	92.2	92.2	92.2	92.2	39.5
Nil Production	t		195	210	210	210	210	210	90
Concentrate Produced	t		371	401	384	384	384	384	165

Source:Strachan Corporate Pty Ltd

### Profit Summary

		2007	2008	2009	2010	2011	2012	2013	2014
Gross Income	US\$m.	18.9	51.5	55.7	53.4	53.4	53.4	53.4	22.9
<b>Costs</b>									
	US\$m.	9.0	16.0	20.9	24.0	24.0	24.0	24.0	10.3
Cost per oz		141	180	217	261	261	261	261	261
Cost \$/t		25	25	30	34	34	34	34	34
Operating Surplus		9.9	35.4	34.8	29.4	29.4	29.4	29.4	12.6
<b>Capital Costs</b>									
Total Capex	US\$m.	29.0	6.7	1.5	1.5	1.5	1.5	1.4	0.3
EBITDA		9.9	35.4	34.8	29.4	29.4	29.4	29.4	12.6
Depreciation		(5.5)	(5.8)	(6.0)	(5.1)	(5.5)	(5.5)	(5.5)	(5.5)
EBIT		4.4	29.6	28.8	24.3	23.9	23.9	23.9	7.1
Interest		(0.4)	(2.2)	(1.7)	(1.3)	(0.8)	(0.4)	-	-
NPBT		4.0	27.5	27.1	23.0	23.1	23.6	23.9	7.1
Taxation	30%		(8.2)	(8.1)	(6.9)	(6.9)	(7.1)	(7.2)	(2.1)
NPAT		4.0	19.2	18.9	16.1	16.2	16.5	16.7	5.0

Estimated, after tax,  
geared NPV of  
US\$99m

NPV	Disc	US\$	A\$m	64%
	10%	\$87	\$120	\$77
	15%	\$72	\$99	\$63
IRR		184%		
USD:AUD		0.73		

Source:Strachan Corporate Pty Ltd

These models assume that debt funding is found for about 70% of the project's initial US\$35m capital cost at reasonable interest rates. Under these assumptions, PLA's 64% interest in the project should achieve an NPV of A\$63 million.

The project can be summarised by the table below which predicts production of 657,000 oz of PGMs to produce a pre tax operating cash flow, after all capital costs, of US\$167m:

Summary		
PGMs Produced	Koz	657
Revenue	US\$m.	363
Cash Costs	US\$m.	(152)
Capital Costs	US\$m.	(43)
Pre tax cash flow	US\$m.	167

Source:Strachan Corporate Pty Ltd

Generates US\$167m  
undiscounted, pre-tax  
cash flow, after  
capital costs

PLA earning 49% of  
Kalplats . . .  
. . . a new PGM type  
of host

### Kalplats

Platinum Australia has identified a new PGM play concept on South Africa's Kraaipan Greenstone Belt, 330 km west of Johannesburg. The company has signed an agreement with a subsidiary of African Rainbow Minerals Platinum Pty Ltd (ARMPplats) which will see PLA acquire a 49% interest in the Kalplats project by completing a BFS and making its Panton Process for the treatment of platinum ores, available to the project at no cost.

Cont. Next Page

## Platinum Australia Ltd

### Targeting high grade open pit operation

At Kalplats, vertically dipping mineralised structures in a layered magnetite host were first defined by Harmony, who established an Indicated and Inferred Resource containing 3.4moz of 3E PGM (Pt, Pd + Au) in 75.2mt of mineralisation grading 1.42g/t, to a maximum depth of 150m. The mineralisation contains a high grade core of 12mt grading 3.6g/t 3E PGM, containing 1.4moz of PGM. Seven deposits have been identified, along with at least three prospects for additional mineralisation along a 13km line of mineralised strike.

Within the Main Reef mineralised package, this deposit shows a 22m wide section averaging about 3g/t PGM within which lies the 2-3m wide LM Reef grading ~3.4g/t and the 3-8m wide UM Reef, grading ~4.8g/t PGMs. Further to the west lies the Mid Reef package containing an additional 2m reef grading ~2.5g/t PGM. Within the main UM reef sits a sub zone grading about 10g/t PGMs over widths of between 0.5-2m which may be suitable for underground mining.

### BFS for 190Koz pa at cash cost of US\$230/oz

Platinum Australia plans to undertake a BFS study focusing on an initial reserve of 12mt grading 3.6g/t 3E PGM containing 1.4moz of PGMs. PLA is working towards a US\$90m development applying open cut mining to a depth of 200m, treating 2.1mt pa to produce up to 190,000 oz pa of PGMs with associated copper credits over a mine life of 7 years. StockAnalysis has assumed that the company's evaluation of ore potential at depth and along string is successful and thus assumes a 7½ year open pit operation followed by underground mining to extend operations below these open pits, mining 1.5m tpa at a grade of ~4.6g/t PGM.

#### Metal Price mix:

Price Mx	Pt	850	Pd	240	Gold	465	Rh	2000	Cu	2535
USD:ZAR		6.7								
PGMPrice	US\$/oz	550								

#### Kalplats Estimated Production Schedule:

Y/E 30 June		2008	2009	2010	2011-20
<b>Mining &amp; Processing</b>					
Open pit ore	Kt		2100	2100	11500
U/G ore	Kt				7000
Grade PGM	g/t		3.6	3.6	4.0
Grade Cu	%		0.1	0.1	
Contained PGM	oz		246	246	2381
Recovery	%		76%	76%	
PGM Production	Koz		186.8	186.8	1842
Cu Production	t		1575	1575	17475

Source: Strachan Corporate Pty Ltd

#### Kalplats Profit Estimate:

Y/E 30 June		2008	2009	2010	2011-20
Gross Income	US\$m.	0.0	88.6	88.6	877.6
<b>Costs</b>					
		0.0	47.0	47.0	487.3
Cost per oz			230	230	
Cost \$/t			22	22	
Operating Surplus		0.00	41.6	41.6	390.3
<b>Capital Costs</b>					
Total Capex	US\$m.	92.0	3.2	0.5	35.0
EBITDA	US\$m.	-	41.6	41.6	390.3
Depreciation		-	(9.2)	(9.2)	(115.0)
EBIT		-	32.4	32.4	275.3
Interest		(1.6)	(5.9)	(4.7)	(6.7)
NPBT		(1.6)	26.5	27.7	268.6
Taxation	30%	-	(7.9)	(8.3)	(80.6)
NPAT		(1.6)	18.5	19.4	188.0

### Estimated after tax, geared NPV of US\$55m, with exploration upside

NPV	Disc	US\$	A\$m	49%
	10%	\$86	\$118	\$58
	15%	\$55	\$75	\$37
IRR	51%			

Source: Strachan Corporate Pty Ltd

# Strachan Corporate

## Platinum Australia Ltd

**7 year project  
generates US\$193m  
undiscounted, pre-tax  
cash flow, after  
capital costs. .**

**. . . 12 year  
expansion generates  
US\$278m cash flow**

**Panton Project to be  
revisited**

**Possible JV using local  
infrastructure**

Strachan Corp's NPV valuation assumes that 70% of the project can be funded with debt and that the project can be expanded to at least a 12 year life. Under these conditions, PLA's interest in the project is estimated to be worth \$37m.

PLA believes that targeting higher grade reefs would enable a PGM recovery of around 78% and that application of the company's Panton process to the ore could enhance recovery. A detailed airborne geophysical survey of the permit area has identified a number of exploration targets outside of the known deposits, giving PLA confidence that reserves can be expanded at Kalplats. Drilling in Q1 2007 will aim to upgrade and extend known reserves while also targeting some new zones of interest.

The project can be summarised by the table below. Strachan Corporate has also assessed a project based only on known resources, producing 1.3moz of PGMs and a pre tax cash flow of US\$193m while also assessing an expanded case, producing 2.2moz, based on exploration success, which produced pre tax cash flow of US\$278m:

Summary		7 yr	12 Yr
PGMs Produced	Koz	1,307	2,215
Revenue	US\$m.	620	1,055
Cash Costs	US\$m.	(329)	(581)
Capital Costs	US\$m.	(98)	(195)
Pre tax cash flow	US\$m.	193	278

Source: Strachan Corporate Pty Ltd

PLA holds significant exploration potential at Kalplats, both at depth and along strike. Depending on the outcome of exploration efforts during 2007, PLA will also examine the option of moving to a 3mt pa open pit operation. Strachan Corp estimates that if this option proved to be viable, an NPV of up to A\$66m could be attached to PLA's 49% interest. At present this option is highly speculative and is totally dependant on exploration success.

### Panton Project

PLA owns 100% of the Panton PGM deposit located south of Halls Creek in Western Australia. The project has a resource of 14.3mt grading 5.2g/t PGM +Au (2.39mzo PGM) contained in two, parallel reef structures with the Top Reef holding 10mt grading 6.13 g/t PGM +Au. At current metal prices, this ore has an in-situ value of about A\$200/t and should generate revenue of over A\$100/t once processed. This resource represents a target for an initial open pit operation followed by an underground mining development.

Sally Malay Mining has entered into an agreement with PLA to conduct a BFS on the Panton orebody by mid 2006. This study will look at the viability of trucking 300,000 tpa of high grade Panton ore for treatment through Sally Malay's plant, 60km to the north, to produce about 45,000 oz pa of PGMs in concentrate. Sally Malay will earn a 50% interest in the first 1.5mt of ore treated and both parties will have the right to negotiate to extend the project. The Sally Malay mill could process Panton ore for 5 weeks each quarter, producing a low grade concentrate which may then be upgraded on a continuous basis in a purpose built, add-on facility, using PLA's calcine leach, Panton Process, to produce a saleable product. If the BFS is positive, the partners may seek to take advantage of the current high platinum price to underpin the project by use of some degree of hedging of possible platinum production.

A significant drawback for the Panton project is the predominance of palladium in its PGM mix, which lowers the overall value of the ore. On the back of its feasibility work at Panton, PLA developed a novel processing route to improve recovery of PGM's, involving calcination of a bulk concentrate followed by leaching and precipitation of PGM's and base metals. The company is studying the application of this process to difficult ores within its own portfolio and for third parties.

### 24 Rivers Project

PLA can earn up to a 74% interest in an exploration project on a fault displaced section of the Bushveld Complex located 250km north of Johannesburg. The company has undertaken soil sampling ahead of a drilling programme planned for late 2005, targeting sections of the Platreef, suitable for open pit mining.

## S W O T Analysis

### Strengths

**SMALL & NIMBLE:** PLA brings an Australian, small company approach to projects which may have been overlooked or over engineered by the large South African miners. PLA presents a small target for unions and BEE groups who may otherwise seek more stringent terms.

**EXISTING BEE RELATIONSHIP:** PLA already has a BEE partner at Kalplats.

**VOLATILE CURRENCY:** The ZAR tends to move counter to commodity prices, providing a natural hedge for local miners and buffering the ZAR price received.

### Opportunities

**EXPLORATION:** PLA has identified significant potential to expand resources at Kalplats.

**APPLICATION OF PANTON PROCESS:** to improve PGM recovery or leverage into new projects.

**JOINT VENTURES:** PLA has the opportunity to negotiate a favourable JV with its neighbour which would expand its mining scope while at the same time bringing in a suitable BEE partner.

### Weaknesses

**SMALL COMPANY:** Finance can be difficult to secure for smaller companies.

**NO HISTORY OF OPERATION:** While management has a track record of project development and operation, the company is still relatively unknown in the market.

**SHORT MINE LIFE:** Smokey Hills has only a 7 year project life.

### Threats

**COSTS:** South African miners are seeking to lift wages at a rate above inflation.

**HIV:** Ongoing costs and trauma associated with South Africa's HIV epidemic pose operating challenges for PLA.

**GOVERNMENT LEGISLATION:** South Africa's unusual BEE legislation could be amended in the future with negative implications for foreign miners.

**POLITICAL RISK:** Investment in South Africa represents a significant political risk.

### Black Economic Empowerment adds some financial uncertainty

### Black Empowerment & Operations in Sth Africa (BEE)

In an effort to positively discriminate in favour of its Black population, the South African Government has legislated to require that mining operations in South Africa have a 15% BEE ownership by 2009 and move to 26% BEE ownership by 2014. No word has been given as to the final percentage which may be required under new legislation, post 2014. This transition must be undertaken at "commercial terms", but what is commercial under this legislative compulsion, is yet to be tested in practice.

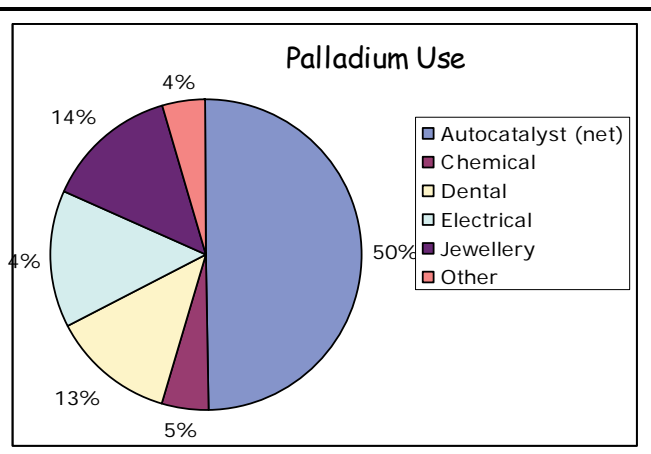
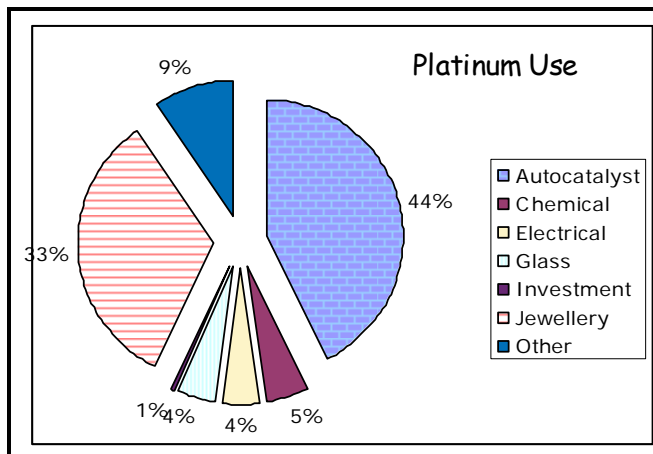
The South African Government has set up a fund to assist BEE groups to purchase these stipulated equity interests, but there has been some criticism of the system both internally and externally.

PLA's Kalplats project is a joint venture with a subsidiary of the largest BEE resources company in South Africa, and thus already meets its long term requirements under the legislation. At Smokey Hills, PLA has local partners with a combined 20% and will introduce an additional BEE partner prior to moving ahead into production.

### Autocatalysts drive demand for PGMs

### Platinum Group Metals

Platinum (Pt) and palladium (Pd) have traditionally found uses in various types of catalytic converters, in jewellery and in other industrial uses. Platinum is increasingly being seen as an alternative to gold in the investment and jewellery trade, while there has also been some investment interest in Pd from Japan.



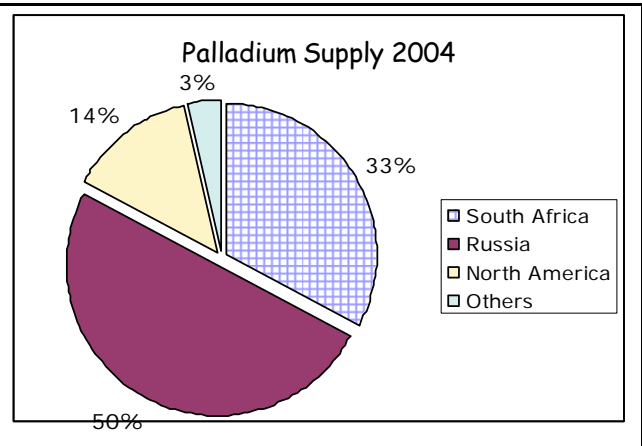
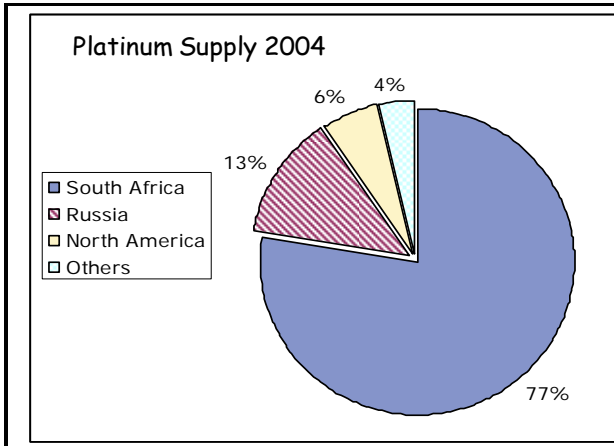
Source: Johnson Matthey

Cont. Next Page

## Platinum Australia Ltd

The expanding use of autocatalysts, which reduce emissions from internal combustion engines, along with increasing worldwide legislation for improved air quality, ensures an growing market for both Pt and Pd for use in catalytic converters. A swing towards more fuel efficient, diesel engines favours Pt, since catalysts in this application have traditionally only been able to use Pt, though a breakthrough in technology now offers scope for use of Pd in this application as well.

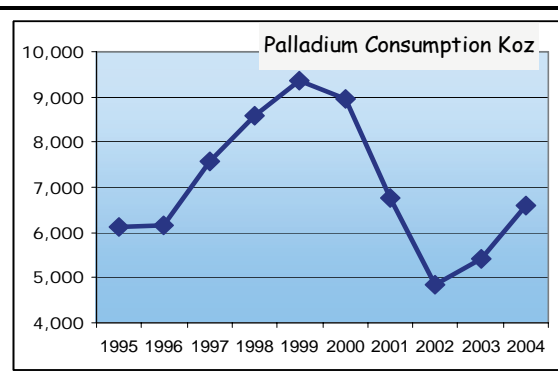
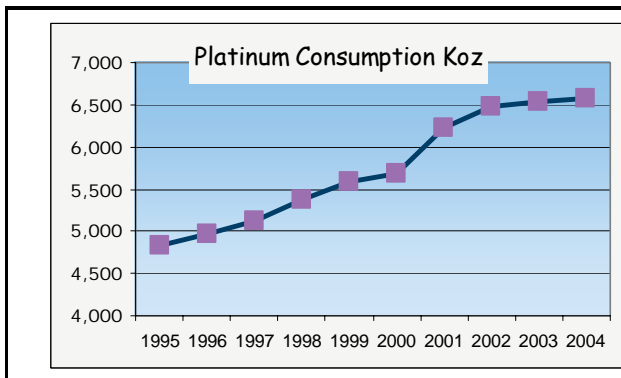
South Africa is a dominant supplier PGMs however; Russian ores, which are richer in respect to palladium, make Russia a key player in the supply of this metal.



Source: Johnson Matthey

Unsustainably high Pd prices during 2000/2001, which saw the price rise to over US1000/oz, led to a fall in Pd consumption as manufacturers switched to Pt for catalyst consumption. A recent reversal of fortunes of these two metals has seen a switch back towards the lower priced Pd, boosting consumption for that metal at the expense of Pt. The run down of Russian Pd stocks and an opening of that market for international scrutiny should result in a steady increase in Pd prices as consumption recovers.

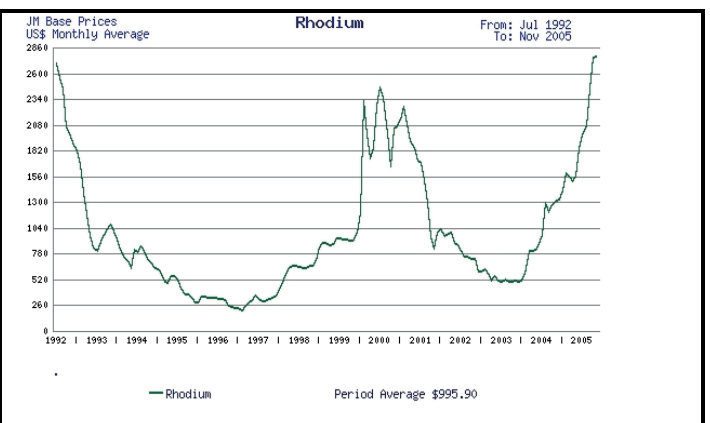
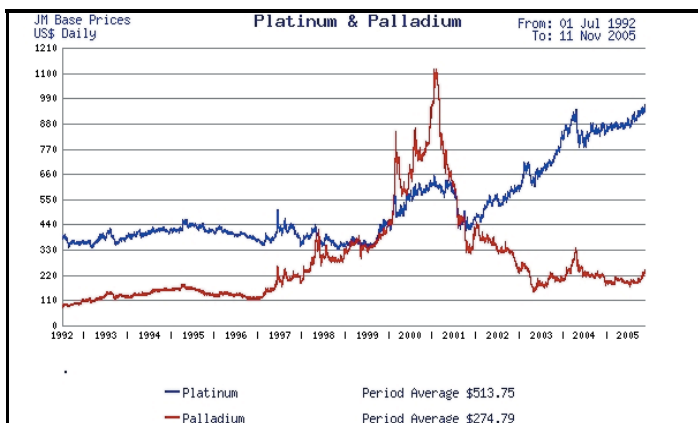
## Russian stocks of Pd have reduced



Source: Johnson Matthey

## Pd prices seen rising

The graphs below illustrate the recent strength in the Pt price, boosted by supply disruptions in South Africa. The price of Pd appears to be recovering from a three year slump, with the assistance of speculative buying while the rhodium price has jumped on the back of strong industrial demand.



Source: Johnson Matthey

Cont. Next Page

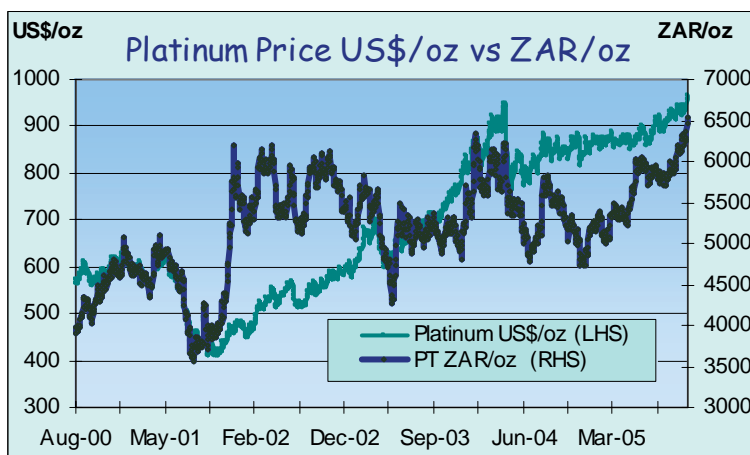
## Platinum Australia Ltd

### The Rand

The South African Rand (ZAR) has recovered strongly in recent years against the USD on the back of a general strengthening of commodity prices and a perceived improvement in law and order in that country. Continued appreciation of the ZAR would be a threat to miners operating in that currency as it lifts operating costs. The ZAR is seen as closely linked to the price commodities which support that economy, so that any weakening in the PGM complex is likely to see a commensurate fall in ZAR, thus buffering profits in ZAR terms.

The chart below shows the platinum price in both USD and ZAR terms. The green (light) line below shows a strengthening Pt price in USD terms while the blue line shows the Pt price in Rand. Clearly the ZAR price has been more stable than the USD price and this situation is directly analogous to the Au price.

Pt price averaging  
~5650 Rand

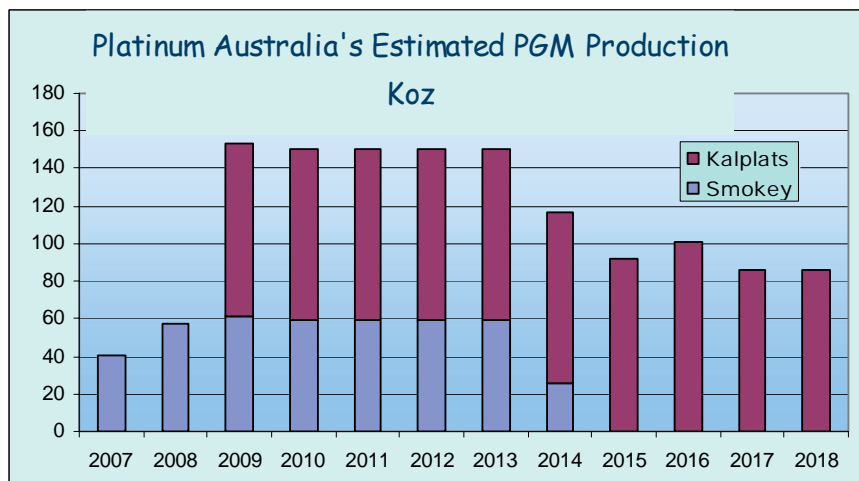


Source:Iress

### Valuation

PLA is working towards lifting its equity share of PGM production towards 150,000 oz pa by 2009, as illustrated by the production forecast graphed below.

Target equity in PGM  
production of 150Koz  
pa by FY 2009



Source:Strachan Corporate Pty Ltd

The company is presently trading with an undemanding, \$17 of market cap per estimated ounce of PGM resource.

Market cap per oz of  
PGM resource is a low  
A\$17/oz (US\$12.8/oz)

Reserves	Koz PGM
Panton	2390
Smokey	508
Kalplats	641
	<u>3538</u>
Mkt Cap/oz	\$ 17

Source:Strachan Corporate Pty Ltd

## Platinum Australia Ltd

### Price Assumptions:

The following metal price assumptions have been applied to project evaluation:

<u>Metal</u>	<u>Base Case US\$/oz</u>	<u>Current Price US\$/oz</u>
Platinum	850/oz	965
Palladium	240	264
Rhodium	2000	2840
Gold	465	468
AUDUSD	0.73	0.73
ZARUSD	6.7	6.7

### Outcome:

Taking a very simple view of PLA's assets produces a target value of A\$93m, which is about double its current market capitalisation. Applying current PGM prices produces a target value of A\$140m with further upside for exploration success. As project and financing risks are reduced and PGM ore resources are better established or expanded, this valuation shows potential to expand considerably. For instance, Strachan Corporate estimates that PLA's valuation for Kalplats could triple to around \$58m from \$20m if additional reserves are proven and once the process route is better understood.

Base case valuation of A\$93m for existing assets.

Applying current metal prices lifts value to A\$140m

Exploration and improved costing to reduce risks holds substantial valuation upside

<u>Summary Value</u>	<u>Base Case \$m.</u>	<u>Current Price \$m.</u>
Smokey Hills	\$63	\$96
Kalplats	\$20	\$34
Panton	\$10	\$10
Cash less Corporate	\$0	\$0
<b>Total</b>	<b>\$93</b>	<b>\$140</b>

Source: Strachan Corporate Pty Ltd

Once the company has a firm BFS for Smokey Hills, it will be able to arrange for new equity to fund its share of the project. Cash flow from this project should go a long way towards eventual funding of a future Kalplats development.

### Disclaimer

The information herein is believed to be reliable but the author, Strachan Corporate Pty Ltd, ABN 39 079 812 945; AFSL 259730 ("Strachan"), does not warrant its completeness or accuracy. Strachan has relied on information which is in the public domain. Opinions and estimates constitute Strachan's judgment and do not necessarily reflect those of the Board and management of Platinum Australia Limited and are subject to change without notice. Strachan believes that any information contained in this document is accurate when issued, however, Strachan does not warrant its accuracy or reliability. Strachan, its officers, agents and employees exclude all liability whatsoever, in negligence or otherwise, for any loss or damage relating to this document to the full extent permitted by law. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The investments and strategies discussed herein may not be suitable for all investors. If you have any doubts you should contact your investment advisor. The investments discussed may fluctuate in price and changes in commodity prices and exchange rates may have adverse effects on the value of investments. This work was commissioned by Platinum Australia Limited