



PLATINUM AUSTRALIA LIMITED

ACN 093 417 942

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31 July 2003

QUARTERLY REPORT TO SHAREHOLDERS FOR THE PERIOD ENDED 30 JUNE, 2003

PANTON PLATINUM PALLADIUM PROJECT

The Panton Platinum Palladium Project is located 60 kilometres north of Halls Creek in the Kimberley region of Western Australia. Panton is Australia's highest grade known PGM deposit. The project is 100% owned by Platinum Australia Limited.

Bankable Feasibility Study

During the period PLA initiated a review of various start up and throughput options as part of the final phase of the Feasibility Study. This review was initiated to address the negative effect the current scenario of a strong Australian Dollar combined with a weak Palladium price has on the Panton Project economics. The effect of this study was to extend the study into the September quarter.

Metallurgy

The complete results from the Pilot Plant test program of the Calcine-Leach-Metals Recovery Process have now been received and incorporated into the Feasibility Study. The results provide PLA with the option of producing a lower grade combined PGM-Base Metal concentrate or incurring the additional capital and operating costs to produce the separate high grade PGM and Base Metal concentrates. This is being evaluated as part of the Feasibility Study and to facilitate this decision, PLA are currently evaluating the markets for these different products with both Lonmin and third parties.

Based on the final results from the laboratory and pilot plant testwork of the complete flotation and Calcine-Leach-Metals Recovery processes, the overall recovery expected to a high grade final PGM (+50% PGM + Au) concentrate is 80% for Pt + Pd + Au. This product is suitable for delivery direct to a PGM refinery.

EXPLORATION

Results from an aeromagnetic survey over the Imagi Project and selected areas of the Byro Project where PLA have identified a large layered mafic – ultramafic intrusion have identified a number of targets which will be further evaluated as part of an initial field work program in the coming quarter.

CORPORATE

The ASX has granted to Platinum Australia Limited (“PLA”) a waiver from Listing Rule 14.7 of the Listing Rules of the Australian Stock Exchange Limited, to the extent necessary to permit PLA to issue up to 66,750,000 ordinary fully paid shares in the PLA at an issue price of \$0.60 per share to Lonmin Plc or its wholly owned subsidiary, as approved by shareholders of the Company on 21 August 2001, by no later than **30 September 2003**.

The effect of the waiver is therefore to extend the period in which Lonmin have to subscribe for up to 66,750,000 ordinary fully paid shares in PLA from the previous date of 21 May 2003 to 30 September 2003.

- * 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 2003

Consolidated Statement of Cash Flows

		Current quarter	Year to date
		SA'000	(12 months)
			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	(1032)	(3273)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(37)	(1137)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	22	111
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	6	23
Net Operating Cash Flows		(1041)	(4276)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(103)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	66
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		(0)	(37)
1.13	Total operating and investing cash flows (carried forward)	(1041)	(4313)

1.13	Total operating and investing cash flows (brought forward)	(1041)	(4313)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	3095
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	(0)	(119)
	Net financing cash flows	(0)	(2976)
	Net increase (decrease) in cash held	(1041)	(1337)
1.20	Cash at beginning of quarter/year to date	2529	2825
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1488	1488

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	70
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	1017
4.2 Development	-
Total	1017

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	335	(4)
5.2 Deposits at call	1153	2533
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1488	2529

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			

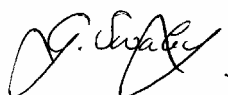
Issued and Quoted Securities at end of Current Quarter

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	69,610,770	69,610,770		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>	34,446,049	34,446,049	Exercise price 20 Cents	Expiry date 1 September 2004
	20,000	-	47 Cents	3 April 2005
	1,000,000	-	20 Cents	29 October 2005
	120,000	-	43.5 Cents	14 March 2007
7.8 Issued during quarter	120,000	-	43.5 Cents	14 March 2007
7.9 Exercised during quarter				
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: 31 July 2003
(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.