



# **PLATINUM AUSTRALIA LTD**

A.C.N. 009 230 835

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Manager  
Companies Announcements Office  
Australian Stock Exchange Ltd  
10th Floor, 20 Bond Street  
SYDNEY NSW 2000

Dear Madam,

## ***Panton Project Bankable Feasibility Study Progress***

Platinum Australia Limited (PLA) is pleased to advise that the Panton Platinum Palladium Project Bankable Feasibility Study (BFS), incorporating the new metallurgical recovery process (the PLA Process) announced to the Australian Stock Exchange on the 30<sup>th</sup> April 2002, is progressing well, although completion may extend into the fourth quarter.

The new recovery process would be the favoured process route for the BFS because it has the potential to improve project economics over the process route proposed in the Pre-Feasibility Study.

Test work on the process continues with the aim of confirming the ability of the PLA Process to produce a high grade PGM concentrate suitable for feed direct to a refinery and to generate sufficient data to allow detailed plant design for the BFS.

To provide enough ore for pilot plant scale testing of the PLA Process, mining of a second batch of 150 tonnes of the Top Reef will take place over the next 5 weeks. The ore will be shipped to South Africa for pilot plant flotation and the resulting concentrate will be used for pilot plant tests of the PLA Process.

Advantages would flow from the production of a high grade final sales concentrate that the PLA Process might yield. A high grade concentrate that could be sold directly to a PGM refinery instead of a smelter would improve project economics by increasing revenue by 10-15%. A significant reduction in the weight of concentrate compared with the Pre-Feasibility Study concentrate would result in savings in freight charges and the potential to airfreight would reduce pipeline lock-ups and working capital requirements.

Mr Lewins said working towards realising such advantages was particularly important in the current environment, where lower PGM prices and a stronger Australian dollar have combined to reduce projected revenue by some 30% when compared to that of the Pre-Feasibility Study. Projected higher grades from the current feasibility study mining plan could offset some of this reduction, but proving of the PLA Process is a key component of the project.

Mr Lewins said although this would be the first attempt to apply such metallurgical techniques to the recovery of PGMs, all elements of the process are well-known standard metallurgical techniques currently being used throughout Australia at a number of gold and base metal mines.

### ***Platinum Australia Limited***

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The steps in the PLA Process include:

- standard milling and flotation to produce a low-grade concentrate.
- subjecting the concentrate to a low temperature calcination (less than 500° C) followed by a cyanide leach (at about 60° C) to dissolve the PGMs, gold and base metals.
- precipitation of the metals and further treatment to yield a separate high-grade PGM concentrate and a base metals concentrate.

Further testwork and proving of the PLA Process is being undertaken by PLA in conjunction with Lonmin Plc, the world's third largest platinum producer and a company with significant experience in the hydrometallurgical aspects of PGM treatment through its Base Metal and Precious Metal Refineries.

The majority of the flotation test work, at both laboratory and pilot plant scales, has been completed and testing is now focused on the calcine-leach and precipitation aspects of the process. Laboratory scale work on the calcine-leach aspect is well advanced and will be complimented by pilot plant scale test work in the next few months. Precipitation test work is at an early stage.

“Both PLA and Lonmin Plc agree that development and application of the PLA Process represents the most promising metallurgical recovery route for the successful commercial development of the Panton project.

Mr Lewins said that both companies are pleased with the current development of the PLA Process and are looking forward to completing the BFS and reaching the goal of becoming Australia's first major platinum producer”.

Yours faithfully,

John Lewins  
Executive Director  
**PLATINUM AUSTRALIA LIMITED**

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