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

Dear Madam,

PANTON PROJECT FEASIBILITY STUDY PROGRESS

Platinum Australia Limited (ASX:PLA) is pleased to announce that preliminary results from the Calcine-Leach-Metals Recovery Pilot Plant testwork show the process has achieved over 90% recovery of Platinum + Palladium + Gold.

Platinum Australia Limited has completed the pilot plant testwork on the Calcine-Leach-Metals Recovery Process. The preliminary results from the Leach-Metals Recovery testwork which was run continuously over a 24 day period indicates the following recoveries were achieved treating flotation concentrate.

	Platinum	Palladium	Gold	Total
Feed Head Grade (Float Concentrate)	12.7 g/t	15.2 g/t	1.7 g/t	29.6 g/t
Leach Dissolution	91.7%	92.8%	91.6%	92.2%
Recovery to Precipitate	84.9%	85.9%	12.3%	81.3%
Recovery to Ion Exchange	6.5%	6.5%	72.8%	10.3%
Overall Recovery (From Float Concentrate)	91.4%	92.4%	*85.1%	91.6%

*It is anticipated that overall gold recovery will be exceed 90% due to the recycle of the barren solution from the Ion Exchange back to the Leach-Precipitation circuit.

In commenting on the results PLA Executive Director John Lewins said "The results in the pilot plant testwork of the new process are consistent with results achieved in laboratory scale testwork and are confirmation of the efficiency of the process. The combination of the Calcine-Leach Process developed by PLA with the Metals Recovery Process developed by Lonmin Plc in conjunction with PLA has achieved a recovery of over 91% Platinum + Palladium + Gold from a flotation concentrate. Based on a flotation recovery of approximately 88% the overall recovery from plant feed to this product should be over 80%. This is comparable with recoveries achieved through the traditional smelting route for many of the South African ores".

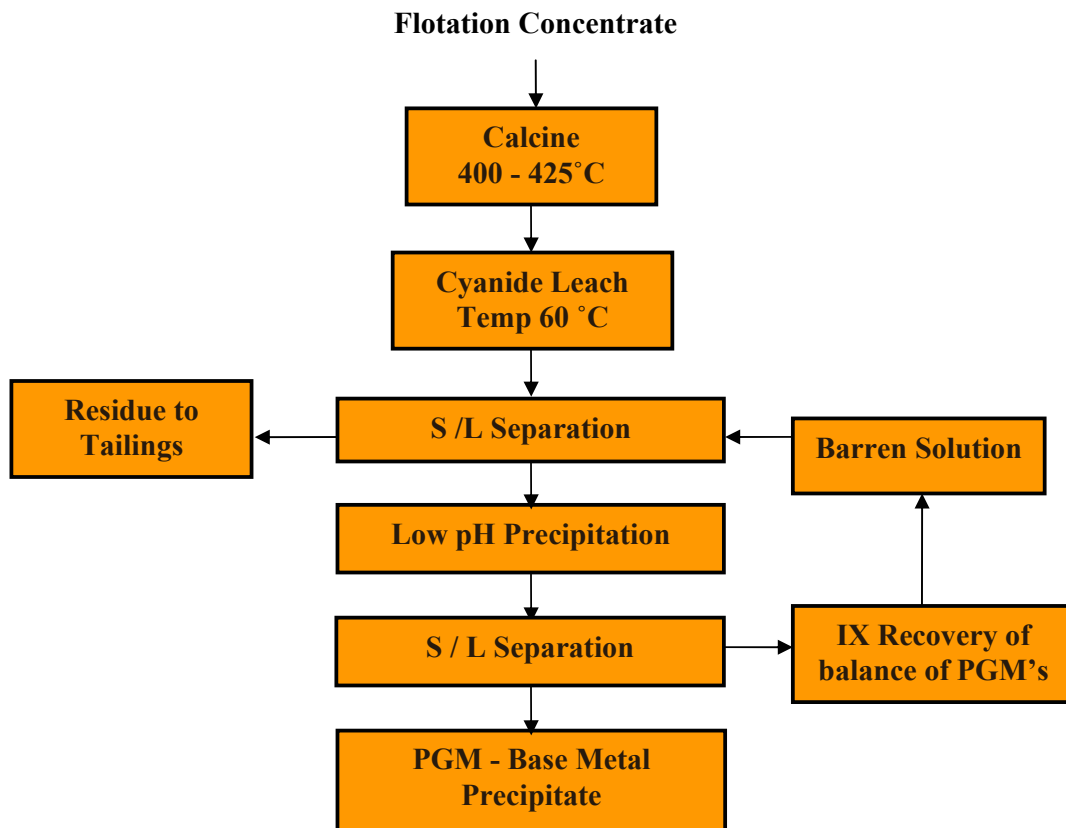
The pilot plant work was undertaken at the Lakefield Oretest and Hydromet Laboratories in South Africa under the supervision of Lycopodium. The pilot plant combines the Calcine-Leach Process which has been developed by PLA with the first part of a Metals Recovery Process developed by Lonmin Plc in conjunction with PLA. A total of approximately 6 tonnes of flotation concentrates produced from previous flotation pilot plant testwork was calcined and treated over the duration of the testwork.

The pilot plant consisted of the following major processes: -

- Calcination of the flotation concentrate at 400 - 425°C in a rotary kiln;
- Leaching of the calcine at 60°C in a cyanide medium;
- Separation of the pregnant solution from the solid calcine residue;
- Recovery of the majority of the metals from the pregnant solution by acidification, this process also allows a large percentage of the cyanide to be recovered;
- Recovery of the balance of the metals from the solution by Ion Exchange, carbon adsorption and secondary Nickel precipitation;
- Recycle of the barren solution back to the Leach-Precipitation circuit.

A simplified flow sheet of the pilot plant process is provided below.

Calcine – Leach – Metals Recovery Pilot Plant



The precipitate produced during the test work was of a higher grade than anticipated and contained an average of over 2,200 g/t of Pt+Pd+Au, 25.5% Ni, 16.7% Cu and 0.5% Co.

The pilot plant testing of the process designed to upgrade this product to a high grade PGM concentrate and separate base metal concentrate is scheduled to commence in the coming week. This is the second part of the Metals Recovery Process being developed by Lonmin Plc in conjunction with PLA. The product from this process should be suitable for direct feeding to a Precious Metal Refinery. It is anticipated that this work will be completed by the end of April, approximately two weeks later than anticipated.

As a result of the delay in completion of the pilot plant work the Bankable Feasibility Study will not be completed until May. All other sections of the study are currently nearing completion and PLA will utilise the opportunity provided by this delay to complete detailed reviews of these sections.

Yours faithfully,
PLATINUM AUSTRALIA LIMITED

JOHN D. LEWINS
Executive Director