



PLATINUM AUSTRALIA LIMITED

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

Dear Madam,

LONMIN TO FULLY UNDERWRITE PLATINUM AUSTRALIA RIGHTS ISSUE

Platinum Australia Limited (“PLA”) is pleased to announce that Lonmin Plc (“Lonmin”) will fully underwrite a 4 for 25 Renounceable Entitlement Issue intended to raise approximately \$3.0 million.

The Issue will be at 32 cents and the funds raised will be primarily used to complete the Bankable Level Feasibility Study (“FS”) on the Panton Platinum Palladium Project, including further development of the new metallurgical process, and for working capital to support the exploration and development of Platinum Australia’s tenements and prospects.

PLA Executive Director John Lewins said the fact that Lonmin is underwriting the Issue is a clear vote of confidence in Panton and the development of the new metallurgical process.

“In underwriting this Entitlement Issue Lonmin have strongly indicated their ongoing support for the Panton Project and the work that PLA has done to date in developing the new metallurgical process.”

Mr Lewins said both PLA and Lonmin believe that extensive testwork, including pilot plant testing of the new metallurgical process is essential to the completion of the FS, with final testing currently anticipated for completion early in the next year.

“The completion of the extensive testwork currently underway and pilot plant testing of the new process planned for later this year means completion of the FS is now estimated to be in the first quarter of 2003. Both PLA and Lonmin believe that the new metallurgical process is an essential element of the success of the Panton Project and should add significant value,” he said.

The new metallurgical process consists of two distinct parts, the calcine-leach process in which a high-recovery, low-grade flotation concentrate is subjected to low temperature calcination followed by leaching to dissolve the Platinum Group Metals (“PGM”), gold and base metals; and a metals recovery process which produces a high grade PGM + gold concentrate and a base metal concentrate.

The Panton Project has defined resource of 4.5 million ounces PGM + gold, including a resource of 10.6 million tonnes at an average grade of 5.8 g/t PGM + gold containing 2.0 million ounces in the high grade Top Reef.

The Record Date for the Entitlement Issue will be 11 October 2002 and existing option holders will be required to exercise their options prior to that date if they wish to participate in the Entitlement Issue. It is anticipated that a Prospectus for the Rights Issue will be sent to shareholders by mid October 2002.

Lonmin Commits \$600,000 to Development of the Metals Recovery Process

PLA and Lonmin have also signed a Technical Services Agreement (“TSA”) for the provision of technical support by Lonmin for the Panton Project. The Agreement recognises that Lonmin has been providing technical support since the signing of the Share Subscription Agreement (“SSA”), and concludes the obligations of the parties under the SSA to agree the terms of such an agreement. The TSA has the following significant elements:

- Lonmin will spend up to \$600,000 on further developing the metals recovery process.
- Lonmin will reimburse PLA \$150,000 for expenditure it has incurred on work in the metals recovery process to date.
- Lonmin will own all Intellectual Property developed for the metals recovery process and PLA will have the right to use this Intellectual Property on its projects with no fee or royalty payable to Lonmin.
- PLA and Lonmin will jointly own any Intellectual Property in the calcine-leach process.

The work on the metals recovery process will focus on the production of a high grade PGM concentrate suitable for delivery direct to a precious metal refinery.

“The level of support from Lonmin under the TSA recognises the importance of the new metallurgical process to the Panton Project and its potential application in the wider PGM industry.

PLA is extremely pleased to have this level of support and commitment from Lonmin, the third largest producer of Platinum in the World, not only for the Panton Project but also for the development of the new metallurgical process.

The expertise and experience that Lonmin brings to Panton and the FS will ensure PLA has the best possible opportunity for a successful outcome,” Mr Lewins said.

PLA considers that having Lonmin share in the ownership of Intellectual Property associated with the calcine-leach process and committing significant funds and effort to the development of the metals recovery process will address many of the concerns that potential financiers may otherwise have had concerning the inclusion of the new metallurgical process in the FS.

Bankable Level Feasibility Study

The mining of a second bulk sample of Top Reef was completed in August and an 85 tonne sample of this material, which has an average grade of 8 g/t PGM + gold, has now arrived in South Africa and pilot plant flotation tests are due to commence in the coming week. The concentrate produced from the pilot plant flotation tests will be used for pilot plant tests of the new metallurgical process.

Statement of Qualification

This report, insofar as it relates to ore or mineralisation, is based on information compiled under the supervision of P. D. Allchurch, who is a competent person as defined in Appendix 17 of the Australian Stock Exchange Listing Rules. This report accurately reflects the information compiled.

Yours faithfully,
PLATINUM AUSTRALIA LIMITED

JOHN LEWINS
Executive Director