

ASX ANNOUNCEMENT

Platinum Australia Limited (Subject to Deed of Company Arrangement) ('the Company')

ACN 093 417 942

ASX code: PLA

5 February 2015

Following the Deed Administrator's announcement to shareholders on 21 July 2014, please find below an update on the status of the administration of the Company.

Variation and Completion of Share Sale Agreement with Great Lakes Capital Management Inc. ('Great Lakes')

As previously advised, the Company executed a Share Sale Agreement ('SSA') for the sale of all the shares held by the Company in Smokey Hills Platinum Mining (Mauritius), Stella Platinum Mining (Mauritius) and Platinum Australia SA (Pty) Ltd on 17 July 2014 for the below consideration:

1. Shares – issuance of fully paid ordinary shares in African Thunder Platinum Limited, a subsidiary of Great Lakes and the company that will hold the shares in the Subsidiaries ('African Thunder'), equivalent to 15.5% of the total issued capital of African Thunder. These shares will be distributed as follows:
 - a. 13.5% to be issued to the Company's first ranking secured creditor, Macquarie Bank Limited ('MBL'); and
 - b. 2% to be issued to unsecured creditors and existing shareholders of PLA, at the Deed Administrator's discretion.
2. Cash - US \$1.05M in cash to be distributed as follows:
 - a. US \$500,000 to MBL; and
 - b. US \$550,000 to PLA which will be used to pay the Deed Administrator's expenses and the debts due to priority unsecured creditors.

I advise that the majority of the conditions precedent to completion of the SSA (as varied) have now been met, including the requirement to obtain approval from the Company's creditors to vary the Holding Deed of Company Arrangement to facilitate the transaction.

Return to Shareholders

It is currently anticipated that African Thunder will seek to undertake an IPO within 18-24 months at which point the Deed Administrator will seek to realise the Company's 2% shareholding in African Thunder. The transaction allows for a possible return to shareholders in the event that there is a surplus following the realisation of PLA's shares in African Thunder and repayment of unsecured creditors in full.

Recapitalisation of the Company

I advise that the Deed Administrator is currently considering the potential recapitalisation of the Company and in this regard, expressions of interest are being sought from parties interested in submitting an offer to recapitalise the Company. Any parties interested in submitting an offer are advised to contact Mr Chris Kossen on 08 9322 2022 or by email at kossenc@pitcher-wa.com.au.

Capital Loss Unable to be Claimed

In light of the above, the Deed Administrator is unable to declare that there are reasonable grounds to believe that there is no likelihood that shareholders will receive any distribution in the course of the administration. Accordingly, a capital loss is unable to be claimed for taxation purposes at this time.

BRYAN HUGHES
Deed Administrator

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