



PLATSEARCH NL

ACN 003 254 395

31 October 2006

QUARTERLY REPORT FOR PERIOD ENDED 30 SEPTEMBER 2006

HIGHLIGHTS

- The formation of a **Strategic Alliance** between PlatSearch and Minotaur Exploration Ltd (Minotaur) was a particularly pleasing and important development for the Company. The alliance will boost PlatSearch's funding for exploration project generation in Eastern Australia. Details of the alliance were announced to ASX on 26 September 2006. PlatSearch is now putting measures in place to step up its search for new exploration opportunities in NSW, Queensland, Victoria and Tasmania.
- **Western Plains Gold**, in which PlatSearch has a significant shareholding announced its intention to enter the iron ore industry. On 26 October WPG shareholders approved the acquisition of Southern Iron Pty Ltd which holds tenements in South Australia that host significant deposits of iron ore mineralisation. WPG is in the process of finalising a raising of \$2.76 million by way of a share placement and an underwritten Share Purchase Plan to fund ongoing activities including drilling programmes on its copper-gold projects in NSW, and a 7,000 metre drilling programme and feasibility studies on its Peculiar Knob iron ore deposit in SA.
- PlatSearch has signed a joint venture agreement with WCP Diversified Investments on the **Lilleyvale** project in Queensland. A previous drillhole at this prospect discovered a large Cloncurry style copper-gold system. WCP hopes to commence two deep drillholes in November 2006 to further investigate this system.
- Negotiations and documentation regarding five new joint ventures on a number of key projects are close to finalisation. Subject to the successful conclusion of these agreements, PlatSearch will see substantial work programmes, including drilling, on the **Mundi Plains, Junction Dam, Cymbric Vale, Dunmore and Tomingley** tenements in NSW and the **Mirikata** and **Kalabity** tenements in South Australia.
- WPG has let a contract for RC drilling at the Mordialloc prospect in the **Trundle** tenement, Lachlan Fold Belt NSW. Work to date shows encouraging indications for Northparkes style porphyry copper-gold mineralisation.
- Joint venturer WPG has engaged a drilling contractor to undertake a substantial drilling programme on the Yalcowinna Creek, Son of Man and B40 prospects in the **Euriowie** tenement, scheduled to commence in November 2006.

CURNAMONA PROVINCE/BROKEN HILL, NSW AND SA

Euriowie, NSW – EL 5771 and EL 6188, PlatSearch 80%, Eaglehawk 20%, WPG can earn 60%

A drilling contractor has been engaged for a significant programme of RC percussion and diamond drilling to test three high priority targets within the Euriowie project area.

A fence of two inclined RC percussion holes and one inclined RC percussion pre-collared diamond hole will be drilled at the Yalcowinna Creek Prospect. These holes will test copper geochemical and EM targets down-dip of the mineralised sub-crop in the southern, soil covered, part of the grid. Previous Western Plains Gold Ltd (WPG) RC percussion holes intersected broad intervals of low-grade copper mineralisation (up to 24 metres at 0.35% copper).

Four inclined RC percussion holes will be drilled at the Son of Man Prospect. These holes are designed to test promising geochemical and EM anomaly targets that have been defined by previous WPG programmes of detailed mapping and rock chip sampling, systematic RAB drilling and grid based ground magnetic and moving loop EM surveys.

Two RC percussion holes will be drilled at the B40 Prospect. The holes are designed to test co-incident magnetic and MLEM anomalies for the possible presence of iron-oxide copper-gold mineralisation. Geophysical interpretation and results of a single drillhole by a previous explorer indicates that a large body of quartz magnetite material is present.

Mulyungarie, NSW and SA – EL 4657, PlatSearch 100% and EL 3478, PlatSearch 80%, Eaglehawk 20%, WPG can earn 60%

A drilling programme comprising a pattern of 15 vertical rotary/core holes has been planned to further test the K1 Prospect for mineralisation in undrilled sections of both the ironstone body and the surrounding alteration envelope. This work has been put out to tender and will commence as soon as a suitable drill rig can be mobilised to site.

Mundi Plains, NSW - EL 6404, PlatSearch 100%

Junction Dam, SA – EL 3328, PlatSearch 80%, Eaglehawk 20%

Documentation for a joint venture to fund further work on these tenements is close to being finalised.

The two tenements cover an area of 650 square kilometres over one of the most prospective parts of the Curnamona Craton for large lead-zinc-silver and copper-gold deposits and embrace a thick and highly metal-anomalous sequence extending over a strike length of at least 100 kilometres. Most previous drillholes that have tested this sequence in this area have encountered strongly anomalous base metals and/or precious metals.

A series of drill targets has been defined in both tenements and drilling will commence on these following the finalisation of the joint venture agreement.

Redan, NSW – EL 5795 and EL 6394, WPG 80% and Eaglehawk 20%, PlatSearch has a NSR royalty

A detailed review of past company data pertaining to EL 6394 Kanbara was completed during the quarter. WPG has subsequently relinquished this tenement.

ZINCSEARCH JOINT VENTURE - Razorback, Yanco Glen, Ziggys and Copper King, NSW – ELs 6600, 5764, 6036 and 5919, PlatSearch 16%, CBH Resources 80%, Eaglehawk 4%, **Apollyon Valley, Big Aller and Mt Robe, NSW** – ELs 6475, 6147 and 5646, PlatSearch 20%, CBH Resources 80%

The NITON XRF analyser team has completed sampling on another 1,850 sites in the Big Aller tenement EL 6147. The results have defined two areas with strongly anomalous soil values. One area has a strike length of at least 300 metres with soil values up to 7,600ppm copper. The second area also

has a strike length of at least 300 metres with soil values up to 15.8% lead, 13.5% zinc and 200 g/t silver, although these higher values are likely to be due to contamination from nearby workings.

NITON sampling will commence shortly on the Apollyon Valley tenement. On completion of this work, all results from the ZincSearch NITON programme will be assessed by field visits, then prioritised for further work including drill testing.

CBH Resources now has an 80% interest in all the ZincSearch Joint Venture tenements. PlatSearch has elected not to contribute to further expenditure and will reduce to a 20% free-carried interest in ELs 6417, 5646 and 6475 and a 16% free-carried interest in ELs 6600, 5764, 6036 and 5919.

Stephens-Centennial, NSW – EL 6132, PlatSearch 48%, Triako 40%, Eaglehawk 12%, Teck can earn 75%. Endeavour Minerals has a NSR in 4 units of the EL area

Detailed soil sampling using a Niton portable XRF analyser commenced during the quarter. Approximately 5,800 sites have been analysed so far. Teck Cominco are required to complete a sampling programme of 20,000 sites over selected parts of the tenement.

Cymbric Vale, NSW – EL 6403, PlatSearch 50%, Paradigm Mexico 50%

Documentation for a joint venture to fund further work on these tenements is close to finalisation.

The Cymbric Vale tenement is located in the Koonenberry Belt on the eastern margin of the Curnamona Craton, approximately 120 kilometres northeast of Broken Hill and is considered to be prospective for sulphide nickel deposits. The Koonenberry Belt extends over a strike length of at least 200 kilometres and is characterised by multiple, deep crustal, dip-slip fault structures with subsidiary splays and cross structures. A number of ultramafic intrusives in the region (such as at Mt Wright and Cymbric Vale) suggest that these faults are mantle tapping structures - favourable indications for the occurrence of sulphide nickel deposits. Large parts of the Koonenberry Belt are currently being actively explored for nickel by major nickel companies.

A ground magnetic survey has been completed recently over a large aeromagnetic anomaly within the Cymbric Vale tenement, considered to be due to a large ultramafic intrusive. A programme of RAB drilling to confirm the source of the magnetic anomaly and investigate its potential for nickel mineralisation is planned.

Callabonna and Quinyambie, SA – EL 2886, PlatSearch 100%, Red Metal can earn 70% and EL 3197, PlatSearch 52.6%, a prospecting syndicate 47.4%, Red Metal can earn 70%

The Callabonna and Quinyambie joint ventures are located in the northwestern portion of the metal-rich Curnamona Province of South Australia and target Olympic Dam style copper, gold and uranium mineralisation in basement rocks and uranium mineralisation in the younger sedimentary cover sequences.

During the previous quarter a step-out pre-collar hole (QBE2) was completed on the Dolores East prospect near where an earlier drillhole (QBE1) intersected a volcanic hydrothermal breccia pipe containing broad intervals of low-grade copper mineralisation and hematite alteration. Encouraging basement rock retrieved from the end of the QBE2 pre-collar comprised strong weathered, siderite-sericite altered breccia with traces of pyrite, chalcopyrite and hematite. Completion of the drill test is pending availability of a diamond core rig.

A review of the uranium potential within the Tertiary cover sequences is in progress.

Frome and Poverty Lake (Benagerie Joint Venture), SA – ELs 3019 and 2948, PlatSearch 50%, AH Syndicate 50%, Newcrest can earn 70%

The completion of planned core drilling on five pre-collar holes by joint venturer Newcrest Mining has been delayed due to the industry-wide shortage of drilling services. This core drilling will commence as soon as a suitable drilling contractor can be engaged.

Kalabity, SA – *EL 3297, PlatSearch 80%, Eaglehawk 20%*

Documentation for a joint venture to fund further work on the tenement is close to finalisation. The incoming party will focus on further investigation of uranium potential in the tenement, in particular the KR4 prospect where uranium mineralisation occurs in a narrow zone of davidite veining over a strike length of at least 1.5 kilometres.

GAWLER CRATON, SA**Mirikata, SA** – *EL 3537, PlatSearch 100%*

Documentation for a joint venture is at an advanced stage. The incoming party will fund further drilling to test defined geophysical targets with potential for iron-oxide copper-gold mineralisation.

THOMSON FOLD BELT, NSW**Tongo, Yantabangee, Kango, Mt Pleasant, Klondyke and Monolon, NSW** – *ELs 6630, 6631 and 6632, ELAs 2765, 2766 and 2767, PlatSearch 100%*

A programme of ground magnetic surveys on selected aeromagnetic anomalies has been completed. Discussions with a potential joint venture partner to fund ongoing work are in progress.

MT ISA BLOCK, QLD**Lilleyvale Project, QLD** – *EPM 12115, PlatSearch 100%, WCP can earn 60%*

PlatSearch has signed a joint venture agreement with WCP Diversified Investments Ltd (WCP) on the Lilleyvale project in Queensland. A previous drillhole at this prospect discovered a large Cloncurry style copper-gold system. WCP hopes to commence two deep drillholes in November 2006 to further investigate this system.

LACHLAN FOLD BELT, NSW**Dunmore and Tomingley West, NSW** – *ELs 6473 and 6474, PlatSearch 90%, RobertsConsulting 10%*

Documentation for a joint venture to fund further work on these tenements is close to finalisation.

The Dunmore and Tomingley tenements are considered to be prospective for large porphyry style copper-gold deposits such as exist at the nearby Northparkes mine and the Cadia/Ridgeway mine. The Dunmore area is also prospective for gold-bearing quartz fissure-vein and sheeted-vein deposits.

The Dunmore and Tomingley tenements are located within the Bogan Gate synclinal zone, which is a broad subdivision of the Lachlan Fold Belt of NSW comprising a north-south strip of Palaeozoic volcanics, sediments and intrusions stretching from Narromine in the north to Junee in the south. This belt hosts several significant gold-copper and gold porphyry deposits including Northparkes, Cowal and Wyoming and also the recently mined, high sulphidation epithermal gold deposits at Peak Hill and Gidginbung. Mineral resources with a combined total of 7.8 million ounces of gold have been discovered within this geological province since 1977.

The Northparkes porphyry copper-gold deposits are located only 12 to 15 kilometres to the southwest of the Dunmore tenement. The Peak Hill gold deposit is located 5 to 10 kilometres to the east and the recently discovered Wyoming porphyry copper-gold deposit 18 to 20 kilometres to the north northeast.

Pervasive soil cover across the tenements has inhibited previous exploration. The previous explorer in the area identified three prospects – TRE, HILL and LEE. The main focus of interest was the TRE Prospect, where substantial RAB drilling followed by 12 RC percussion holes was conducted. The

RAB and percussion drilling at TRE prospect encountered 44 samples greater than 1.0 g/t gold up to 1 metre at 12.9 g/t, with the better grades associated with sheeted quartz veins. PlatSearch's interpretation of the available data indicates that the TRE prospect lies on a six kilometre long structure that could host repetitions of the TRE gold mineralisation. This structure is essentially unexplored and will be a key target for the incoming joint venturer.

The joint venture will also target large tonnage porphyry copper-gold "pipes". These often have characteristic expression in detailed aeromagnetic data and the joint venture will conduct an ultra-detailed aeromagnetic survey over the tenements at an early stage. Previous aeromagnetic coverage is relatively wide-spaced and too coarse for this purpose.

Cobar East, Coronga, Coolabah West, Oakvale, Bimbella and Euabalong, NSW – ELAs 2822, 2823, 2824, 2863, 2820 and 2821, PlatSearch 100%

Five large tenements have been applied for in western NSW. These applications cover areas considered to be prospective for a range of commodities. Shallow aircore drilling on several targets to test certain exploration concepts is in progress currently.

WESTERN PLAINS GOLD PROJECTS

Acquisition of SA Iron Ore Projects

On 26 October WPG shareholders approved the company's acquisition of Southern Iron Pty Ltd, which holds mining tenements in South Australia that host significant deposits of iron ore mineralisation at Peculiar Knob and Hawks Nest. WPG is in the process of raising \$2.76 million by way of a share placement and an underwritten Share Purchase Plan to existing shareholders to fund ongoing activities. As a result of these transactions by WPG, PlatSearch's shareholding in WPG will reduce from 24.8% to approximately 10%.

The additional funds raised by WPG will fund further drilling on its copper-gold projects in NSW and a 7,000 metre drilling programme and feasibility studies on its prime iron ore project – the Peculiar Knob deposit located northwest of the Prominent Hill and Olympic Dam sites – to upgrade from inferred to a measured and indicated resources category. Simultaneously WPG will begin a bankable feasibility study with the strategic goal of commencing iron-ore production by mid 2008.

Peculiar Knob is a haematite deposit with a reported Inferred Resource of 14 million tonnes at 63.2% Fe and low impurities (estimated by Mines and Energy South Australia in 1997 – refer WPG September 2006 quarterly report released to ASX 30 October 2006). Also acquired are other haematite resources in the Hawks Nest project in the same region as well as substantial magnetite resources. WPG intends to develop the Peculiar Knob deposit as a high grade DSO (direct shipping ore) mine supplying high-grade ore to the Asian market at a rate of up to 2 million tonnes a year.

Earlier this month WPG announced that a Chinese group – China Kingdom International Group Co Limited – has executed a non-binding Memorandum of Understanding in relation to possible investment in WPG and the Peculiar Knob iron ore project and the sale of iron ore products from the project.

Trundle, NSW – EL 4512, WPG 100%, PlatSearch has a NSR royalty

A drilling contract has been let for two inclined RC percussion holes designed to test co-incident gold and copper anomalies defined from recent programmes of RAB and aircore drilling at the Mordialloc Prospect. This large geochemically anomalous zone has overall dimensions of 1,400 metres north-south by 950 metres east-west and with maximum values of up to 2,260ppm copper and 1.0 g/t gold. The anomalies are associated with a large complex monzonite intrusion that is hosted by Ordovician shoshonitic andesitic volcanics. Minor calc-silicate skarn bodies occur at various localities around the margin of the monzonite.

Lake Cargelligo, NSW – EL 6367, WPG 100%

Additional soil sampling was completed over grid extensions at the Achilles 3 Prospect during the quarter. A programme of aircore drilling to test six discrete magnetic anomalies has commenced and will continue into the December quarter. The programme involves drilling 103 holes for an estimated 3,000 metres.

Peak Hill East, NSW – EL 6342, WPG 100%

The planned programme of aircore drilling to geochemically sample the bedrock and test for mineralisation and/or evidence of hydrothermal alteration in five target areas defined from the 2005 WPG detailed aeromagnetic survey has commenced and will continue into the December quarter. The programme involves the drilling of 31 holes for an estimated 1,240 metres.

OTHER PROJECTS

There has been no significant work or developments on other projects during the quarter.

FINANCIAL

Cash expenditure by PlatSearch on exploration for the quarter was \$146,000. Expenditure by joint venturers on the Company's projects was \$455,000 for the quarter. The Company has no borrowings. Cash funds available at the end of the quarter were \$401,000. On 26 September 2006 PlatSearch announced the placement of 8,750,000 shares at a price of \$0.12 per share to Minotaur Exploration Ltd which will raise a total of \$1,050,000. The shares are partly paid to \$0.04 per share and a further \$0.04 is due and payable on or before each of 30 June 2007 and 30 June 2008. The first instalment of \$350,000 was received on 28 September 2006. The placement of partly paid shares to Minotaur is part of a strategic alliance with that company which will provide Minotaur with a preferred right to farm-in to projects generated by PlatSearch in Eastern Australia.

PLATSEARCH NL

Bob Richardson
Managing Director

The information on mineralisation contained in this announcement accurately reflects information compiled by R L Richardson, BSc, BE (Hons), MAusIMM, MASEG, Managing Director and a part-time employee of PlatSearch NL a Competent Person (as defined by the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves), who has relevant experience in relation to such mineralisation and has consented to the inclusion of such information in this announcement.