



# PLATSEARCH NL

ACN 003 254 395

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7 February 2008

The Company Announcements Office  
Australian Securities Exchange Limited

## **EASTERN IRON LIMITED**

PlatSearch NL (ASX Code: PTS) is pleased to announce the sale to Eastern Iron Limited (Proposed ASX Code: EFE) of 80% of its interests in 15 tenements prospective for iron ore in the Cobar and Main Line areas. PlatSearch retains a 20% free-carried interest in the tenements until the completion of a favourable feasibility study and then it will contribute or may convert to a 2% NSR royalty interest. PlatSearch expended approximately \$300,000 on the project prior to the sale of this interest to Eastern Iron and invested \$200,000 in Eastern Iron's pre-IPO fund raising. PlatSearch has entered into an agreement with Eastern Iron whereby certain commercial and technical services are being provided by PlatSearch. As a result of the above transactions, PlatSearch will hold 21,000,000 ordinary Eastern Iron shares, 5,000,000 Eastern Iron options (exercise price 35 cents and expiry date of 19 December 2012). Eligible PlatSearch Shareholders (ie those holding a minimum of 8,000 PlatSearch shares at a date to be advised) have priority to subscribe for 10,000,000 Eastern Iron shares ahead of the public in the proposed IPO Prospectus. Eligible PlatSearch shareholders will also be given priority to apply for the balance of the Eastern Iron shares on offer (being 15,000,000), subject to Eastern Iron being able to meet the minimum shareholder spread requirement of the ASX Listing Rules.

Eastern Iron hopes to list on the Australian Securities Exchange (ASX) in the June 2008 quarter. If Eastern Iron is successful in its plan to raise \$5 million and list on ASX, it is anticipated that PlatSearch will hold approximately 45% of the shares in Eastern Iron.

### **PlatSearch Strategy**

PlatSearch is an innovative company that focuses on the identification of new exploration projects and frontiers. New projects are developed to the stage where targets are defined and then the high cost drilling stages are funded through joint venture arrangements with other parties. The Company's joint venture partners include:- Newcrest, Teck Cominco, Bondi Mining, Red Metal, Marathon Resources, Western Plains Resources, Perilya, WCP Resources, CBH Resources, Chesser Resources, Newport Mining, Crossland Uranium and now Eastern Iron.

## **Eastern Iron Background**

Eastern Iron was formed in July 2007 by PlatSearch to explore for bulk tonnage iron ore in infrastructure rich, eastern Australia. Glenn Goodacre, the Chairman of Eastern Iron, has a background as an investor in resources and private equities. His experience encompasses the pre-float stages of mineral explorers through to management roles in established mining and exploration companies in Australia and the Pacific. Eastern Iron's Managing Director is Peter Buckley who together with PlatSearch Managing Director, Bob Richardson has figured largely in the exploration concepts that led the Company to acquire its initial tenements. Director, Wendy Corbett brings extensive experience in mineral exploration administration with a large network of contacts within government and industry. We consider that the Company has gained a valuable advantage by moving quickly to acquire exploration rights to much of the area prospective for iron in New South Wales.

Eastern Iron has grouped the 15 licences into two projects, the Cobar and Main Line Projects. The Cobar Project is centered on rail infrastructure that currently transports mineral concentrates to the port of Newcastle. The Main Line project is centered on Australia's main transcontinental rail line, which runs to Port Kembla, home to bulk tonnage coal exports and iron and steel manufacturing. An update on exploration work on these projects is in the attached Eastern Iron report.

Providing Eastern Iron achieves its planned IPO fundraising, substantial work programmes will be completed on these project areas aimed at discovering an economically viable iron ore resource. Furthermore, given the high calibre and experience of Eastern Iron management and the exploration focus of the new company, PlatSearch is confident that the exploration task ahead will be executed in a competent and expeditious manner.

## **PLATSEARCH NL**

Bob Richardson  
Managing Director


Please direct any questions to Bob Richardson on (02) 9906 5220 or 0414 592 080.

Thursday, February 7, 2008

## EASTERN IRON PROJECT

...iron's new horizon in NSW, Australia



ACN 126 678 037 

## EXPLORATION UPDATE

### Summary

- Mineralogical studies confirm that the iron-bearing mineral contained within pisolites from project areas is maghemite ( $\text{Fe}_2\text{O}_3$ ), a mineral with the same formula as hematite ( $\text{Fe}_2\text{O}_3$ );
- All exploration drilling conducted to date has intersected pisolitic iron-rich gravels;
- Results received from Gadsbys Channel confirm that lump sized pisolitic material can be produced from simple "on-site" magnetic separation. Best result: 50.8% Fe (**52.48% Calcinated Fe** or 72.6%  $\text{Fe}_2\text{O}_3$ ); and
- Results received from initial beneficiation tests involving crushing and further magnetic separation, increase iron grade and reduce contaminants in fine sized material. Best result: 55.7% Fe (**56.8% Calcinated Fe** or 79.7%  $\text{Fe}_2\text{O}_3$ ).

Eastern Iron is a new company, formed to investigate the potential for iron ore within very large quantities of shallow, easily extractable iron-rich material that exists in the extensive networks of palaeochannels in parts of western NSW. Aircore drilling has been carried out on a broad scale to identify areas with the potential to produce significant tonnages of direct shipping quality iron ore (DSO) product and preliminary test work aims to investigate the possibility of producing commercially viable iron ore concentrates.

### Preliminary Exploration Work

Only limited scout drilling has been conducted. Because maghemite is magnetic (Figures 1 and 2), palaeochannels can be targeted using existing, high quality airborne geophysical data provided by the NSW Government. Specialist processing and Interpretation of this data by Eastern Iron has resulted in the identification of over 1,100 kilometres of prospective palaeochannel within over 3,800 square kilometres of licence area (Figure 3 and 4). To date, Eastern Iron has tested only one drill section on each of six palaeochannels, which individually, can be tens of kilometres long. This leaves a vast area of prospective exploration licences to be tested with further surface sampling and scout, aircore drilling. Despite the limited extent of this work, results to date indicate that the project has the potential to host significant tonnages of iron ore. Eastern Iron intends to conduct wide ranging drilling to seek palaeochannels that are capable of producing higher grade iron ore with lower silica and aluminium components. This could be achieved either by locating deposits of higher in-situ grade material, and/or by refining the metallurgical process flow sheet.

### Scout Drilling Results

Two phases of preliminary, shallow, aircore drilling have been undertaken in 62 holes at six sites on palaeochannels. Iron-rich pisolitic gravel was intersected in all holes drilled. Analytical results for bulk iron grades have been received for all drillholes (Table 1). To date, all iron-rich poorly consolidated gravel intersections occur from surface. The best individual grade was 1m @ 36.7% Fe (5-6m) from a wider intersection of 9m @ 14.2% Fe (0-9m) in hole EIAC0046. The average intersection for all channels drilled to date is 10m @ 12.3% Fe.

### **Preliminary Pisolite Characterisation Tests**

Eastern Iron contracted the University of Western Sydney to conduct characterisation of drill sample material from the Carpenters, Gadsbys and Belah Prospects. An initial batch of some 154 pisolites was separated into rounded and sub-rounded groups. Of these, 132 were rounded and 22 subangular (14%). Subsequent examination of the internal structure of the pisolites showed no discernable difference in composition or texture of rounded or subangular pisolites. Furthermore, maghemite was the only iron oxide identified by powder X-ray diffraction. Whilst trace amounts of goethite and hematite have been identified in subsequent work, maghemite is the dominant iron oxide phase in the magnetic fraction of samples as shown in Figure 2.

### **Initial Magnetic Beneficiation Tests**

Eastern Iron contracted Metcon Laboratories to conduct bench-scale magnetic separation tests using a barrel separator with a fixed magnet. To date, 50 of the separated samples have been submitted to Genalysis Laboratories in Perth WA for a full iron ore assay. Results of up to 52.5% iron were received from an initial magnetic separation of gravel (Table 2). Crushing this gravel and separating the material again magnetically, further reduces silica and aluminium contaminants and produces a concentrate containing 56.8% iron. All samples contain low amounts of phosphorous and sulphur (Table 2).

Eastern Iron believes that results of this calibre, from easily extracted, surficial gravels located on or near existing road and rail pathways, provide scope for the future discovery of bulk tonnage iron resources in infrastructure rich, eastern Australia.

Yours faithfully

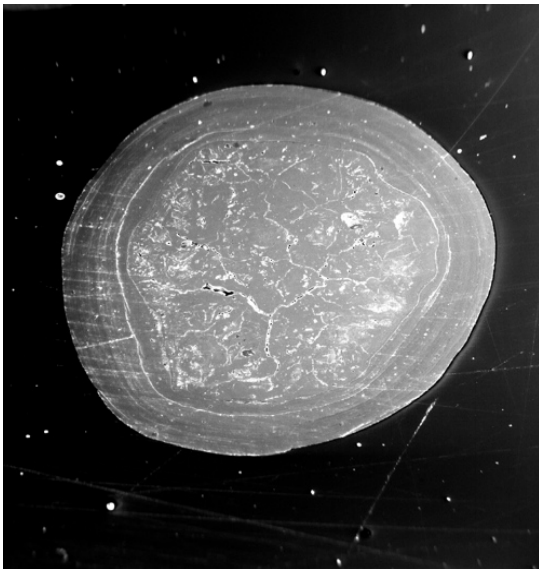
**Eastern Iron Limited**



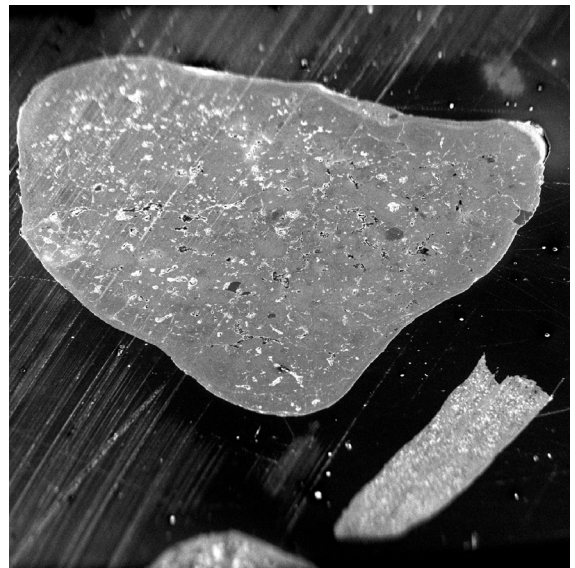
**Peter Buckley**  
Managing Director



**Figure 1** Material in iron-rich palaeochannels has been confirmed as maghemite ( $\text{Fe}_2\text{O}_3$ ). Simple “bench scale” beneficiation test work confirms that gravel from channel fill material with a bulk grade of 10 to 30% Fe (left) can be beneficiated to >50% Fe using magnetic separation to produce a lump sized product (right).



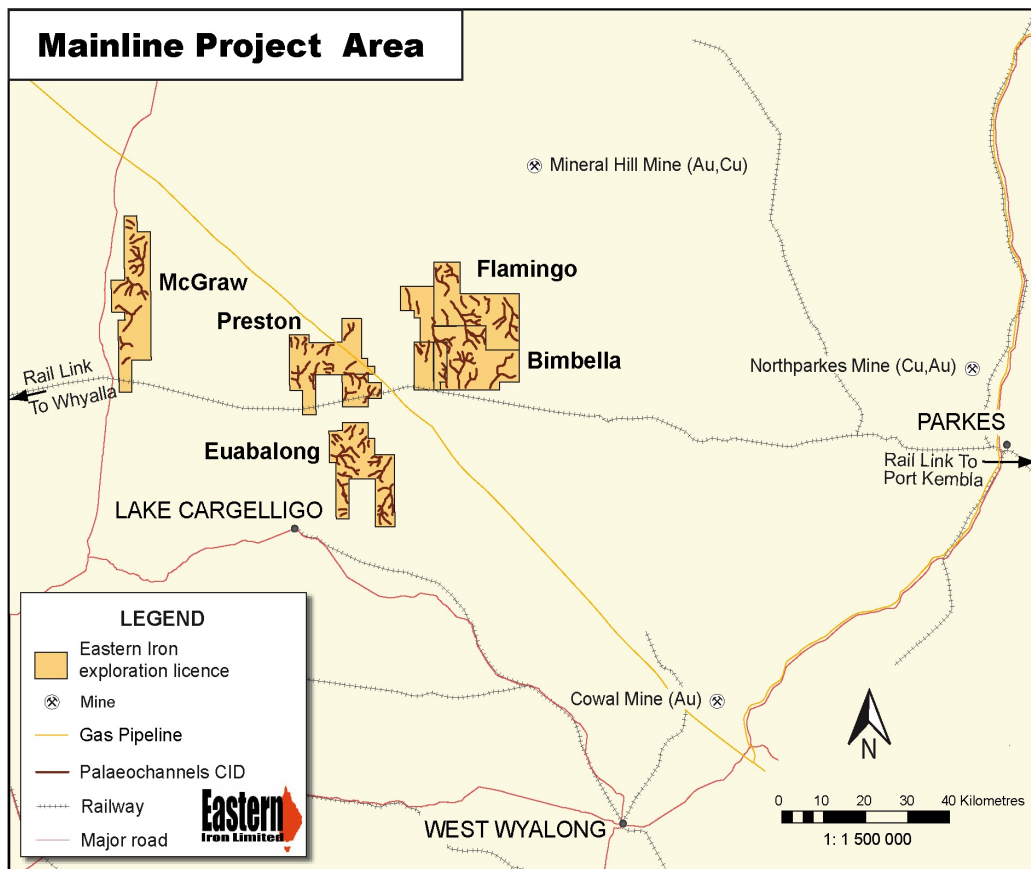
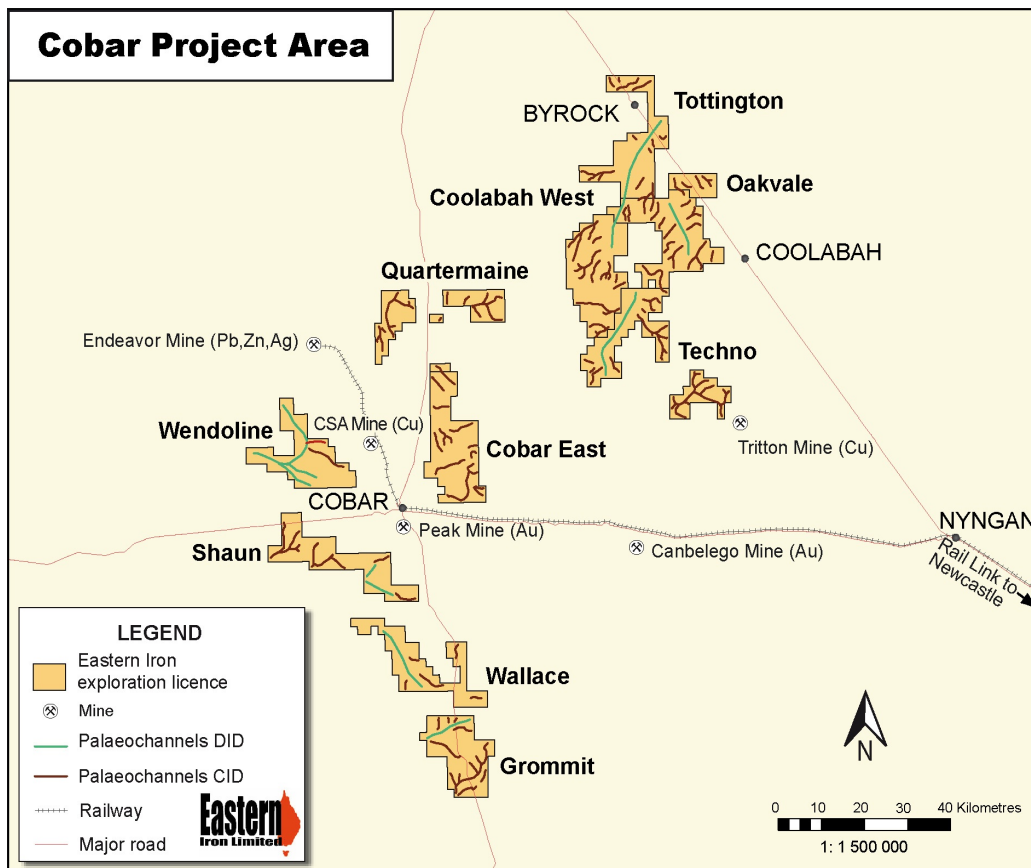
**Figure 2A** Microscope image of maghemite pisoliths from the Belah Prospect - a rounded pisolith 3.5mm across with a core of maghemite enclosed by multiple growth rings of compact maghemite.



**Figure 2B** Microscope image of maghemite pisoliths from the Belah Prospect - a subangular pisolith that is 5mm in length. The interior is characterised by minute voids and very few muscovite flakes (impurities).



**Figure 3** Location of Eastern Iron Project areas. The Cobar project is centred around road and rail infrastructure that currently feeds metal concentrates to the port of Newcastle. The Main Line project is centred around the main transcontinental rail link, upon which metal concentrates from mines such as Cadia/Ridgeway, ship concentrates through Port Kembla.



**Figure 4** Location of projects, exploration licences and palaeochannels. CID refers to older channel iron occurrences and DID refers to more modern detrital iron occurrences.

Hole ID	East	North	EOH	Prospect	Intersection from surface
EIAC0001	438509	6568716	30	Line 1	5m @ 12.8% Fe (0-5m), incl 1m @ 22.8% Fe (2-3m)
EIAC0002	438467	6568783	30	Line 1	10m @ 15.1% Fe (0-10m), incl 3m @ 20.3% Fe (6-9m)
EIAC0003	438421	6568853	30	Line 1	12m @ 15.9% Fe (0-12m), incl 7m @ 18.4% Fe (3-10m)
EIAC0004	438384	6568918	30	Line 1	12m @ 15.8% Fe (0-12m), incl 2m @ 23.0% Fe (3-5m)
EIAC0005	438339	6569000	21	Line 1	13m @ 14.8% Fe (0-13m), incl 3m @ 21.8% Fe (5-8m)
EIAC0006	438300	6569061	20	Line 1	12m @ 14.6% Fe (0-12m), incl 3m @ 22.5% Fe (5-8m)
EIAC0007	438262	6569133	20	Line 1	13m @ 15.1% Fe (0-13m), incl 4m @ 21.2% Fe (5-9m)
EIAC0008	438222	6569200	20	Line 1	13m @ 15.3% Fe (0-13m), incl 5m @ 20.6% Fe (6-11m)
EIAC0009	438184	6569274	20	Line 1	12m @ 12.9% Fe (0-12m), incl 2m @ 25.2% Fe (10-12m)
EIAC0010	438141	6569346	20	Line 1	9m @ 5.76% Fe (0-9m), no assays above 10%
EIAC0011	435328	6569763	20	Line 2	9m @ 12.0% Fe (0-9m), incl 7m @ 14.2% Fe (2-9m)
EIAC0012	435257	6569758	20	Line 2	16m @ 12.0% Fe (0-16m), incl 1m @ 20.2% Fe (13-14m)
EIAC0013	435171	6569743	20	Line 2	15m @ 12.1% Fe (2-17m), incl 2m @ 22.2% Fe (13-15m)
EIAC0014	435088	6569715	20	Line 2	13m @ 8.02% Fe (0-13m), incl 3m @ 13.6% Fe (10-13m)
EIAC0015	435012	6569730	20	Line 2	11m @ 8.32% Fe (0-11m), incl 4m @ 10.5% Fe (7-11m)
EIAC0016	434925	6569722	20	Line 2	12m @ 9.25% Fe (0-10m), incl 7m @ 12.0% Fe (3-10m)
EIAC0017	434853	6569713	18	Line 2	11m @ 8.23% Fe (0-11m), incl 3m @ 11.4% Fe (7-10m)
EIAC0018	433121	6569553	24	Line 3	18m @ 12.4% Fe (0-18m), incl 15m @ 13.4% Fe (3-18m)
EIAC0019	433038	6569548	20	Line 3	14m @ 13.6% Fe (0-14m), incl 1m @ 21.1% Fe (13-14m)
EIAC0020	432957	6569541	18	Line 3	14m @ 13.8% Fe (0-13m) incl 13m @ 14.4% Fe (1-14m)
EIAC0021	432871	6569527	20	Line 3	14m @ 11.3% Fe (0-10m), inc, 5m @ 13.7% Fe (8-13m)
EIAC0022	432796	6569529	18	Line 3	13m @ 8.80% Fe (0-13m), incl 3m @ 12.6% Fe (3-6m)
EIAC0023	432718	6569516	20	Line 3	16m @ 9.43% Fe (0-16m), incl 3m @ 13.6% Fe (9-12m)
EIAC0024	432638	6569510	18	Line 3	13m @ 9.85% Fe (0-13m), incl 3m @ 15.0% Fe (9-12m)
EIAC0025	433199	6569563	18	Line 3	14m @ 12.2% Fe (0-14m), incl 3m @ 21.1% Fe (11-14m)
EIAC0026	435286	6569757	18	Line 2	16m @ 10.9% Fe (0-16m), incl 4m @ 16.7% Fe (1-5m)
EIAC0027	435231	6569748	18	Line 2	17m @ 10.9% Fe (0-17m), incl 2m @ 15.3% Fe (6-8m)
EIAC0028	438242	6569165	18	Line 1	13m @ 13.2% Fe (0-13m), incl 2m @ 22.1% Fe (5-7m)
EIAC0029	438201	6569241	18	Line 1	12m @ 12.2% Fe (0-12m), incl 2m @ 21.3% Fe (10-12m)
EIAC0030	458616	6581494	15	Poweline	10m @ 6.88% Fe (0-10m), incl 1m @ 11.1% Fe, (4-5m)
EIAC0031	458561	6581568	18	Poweline	10m @ 3.94% Fe (0-10m), no assays above 10%
EIAC0032	458510	6581640	15	Poweline	7m @ 9.40% Fe (0-7m), incl 4m @ 12.6% Fe (0-4m)
EIAC0033	458665	6581422	21	Poweline	10m @ 12.3% Fe (0-10m), incl 4m @ 16.7% Fe (6-10m)
EIAC0034	458716	6581346	15	Poweline	10m @ 11.4% Fe (0-10m), incl 4m @ 15.6% Fe (2-6m)
EIAC0035	458767	6581272	15	Poweline	9m @ 15.7% Fe (0-9m), incl 1m @ 21.0% Fe (2-3m)
EIAC0036	458820	6581197	15	Poweline	7m @ 9.38% Fe (0-7m), incl 2m @ 12.6% Fe (2-4m)
EIAC0037	458030	6581397	15	Gadsbys	9m @ 14.6% Fe (0-9m), incl 2m @ 21.1% Fe (5-7m)
EIAC0038	458064	6581324	15	Gadsbys	12m @ 12.5% Fe (0-12m), incl 3m @ 20.0% Fe (4-7m)
EIAC0039	458100	6581246	15	Gadsbys	10m @ 13.8% Fe (0-10m), incl 2m @ 20.3% Fe (7-9m)
EIAC0040	458140	6581166	15	Gadsbys	8m @ 12.9% Fe (0-8m), incl 2m @ 21.2% Fe (2-4m)
EIAC0041	457991	6581480	15	Gadsbys	9m @ 14.8% Fe (0-9m), incl 2m @ 24.4% Fe (6-8m)
EIAC0042	457954	6581560	15	Gadsbys	8m @ 7.82% Fe (0-8m), incl 1m @ 13.6% Fe (3-4m)
EIAC0043	446220	6583940	15	Belah	10m @ 11.1% Fe (0-10m), incl 1m @ 26.9% Fe (5-6m)
EIAC0044	446260	6583940	15	Belah	8m @ 12.6% Fe (0-8m), incl 1m @ 28.5% Fe (5-6m)
EIAC0045	446300	6583940	15	Belah	8m @ 14.2% Fe (0-8m), incl 1m @ 30.6% Fe (5-6m)
EIAC0046	446340	6583940	15	Belah	9m @ 14.2% Fe (0-9m), incl 1m @ 36.7% Fe (5-6m)
EIAC0047	446380	6583940	15	Belah	9m @ 14.7% Fe (0-9m), incl 2m @ 19.6% Fe (6-8m)
EIAC0048	446420	6583940	15	Belah	8m @ 10.3% Fe (0-8m), incl 3m @ 15.4% Fe (4-7m)
EIAC0049	446460	6583940	15	Belah	9m @ 13.1% Fe (0-9m), incl 3m @ 22.5% Fe (3-6m)
EIAC0050	446500	6583940	15	Belah	10m @ 14.7% Fe (0-10m), incl 3m @ 20.9% Fe (4-7m)
EIAC0051	446540	6583940	15	Belah	7m @ 12.8% Fe (0-7m), incl 2m @ 20.8% Fe (4-7m)
EIAC0052	456860	6569500	15	Carpenters	8m @ 17.7% Fe (0-8m), incl 2m @ 22.8% Fe (3-5m)
EIAC0053	456820	6569500	12	Carpenters	7m @ 16.2% Fe (0-7m), incl 1m @ 27.5% Fe (4-5m)
EIAC0054	456780	6569500	12	Carpenters	5m @ 17.6% Fe (0-5m), incl 2m @ 25.6% Fe (2-4m)
EIAC0055	456740	6569500	12	Carpenters	4m @ 10.7% Fe (0-4m), incl 2m @ 14.2% Fe (0-2m)
EIAC0056	456700	6569500	9	Carpenters	2m @ 9.87% Fe (0-2m), incl 1m @ 12.8% Fe (0-1m)
EIAC0057	456900	6569500	15	Carpenters	9m @ 17.2% Fe (0-9m), incl 5m @ 21.6% Fe (2-7m)
EIAC0058	456940	6569500	15	Carpenters	7m @ 13.7% Fe (0-7m), incl 1m @ 31.4% Fe (5-6m)
EIAC0059	456980	6569500	12	Carpenters	5m @ 11.9% Fe (0-5m), incl 1m @ 21.0% Fe (4-5m)
EIAC0060	457020	6569500	12	Carpenters	4m @ 9.45% Fe (0-4m), incl 1m @ 15.1% Fe (0-1m)
EIAC0061	456900	6569658	15	Carpenters	9m @ 14.9% Fe (0-9m), incl 8m @ 16.3% Fe (0-8m)
EIAC0062	456891	6570011	27	Carpenters	7m @ 13.4% Fe (0-7m), incl 2m @ 20.6% Fe (3-5m)

**Table 1** Bulk iron grade intersections of all drilling conducted to date within the Eastern Iron Project. Datum used is the Geodetic Datum of Australia, MGA, GDA 94, all holes were vertical. Iron contents quoted are before magnetic beneficiation tests (see Table 2)



Prospect	Drill Hole	Sample	Bulk Fe %	Fe %	CaFe %	Fe <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	S %	LOI %
Oakvale Line 1	EIAC31			47.96	49.06	68.57	18.10	8.38	0.141	0.019	2.24
Powerline	EIAC34	EI1048	22.6	42.86	44.59	61.28	20.24	10.74	0.029	0.079	3.89
<b>Gadsbys</b>	<b>EIAC41</b>	<b>EI1128</b>	<b>29.9</b>	<b>50.78</b>	<b>52.48</b>	<b>72.60</b>	<b>12.77</b>	<b>8.20</b>	<b>0.028</b>	<b>0.03</b>	<b>3.24</b>
Belah	EIAC46	EI1178	36.7	47.79	49.53	68.33	14.73	10.41	0.034	0.032	3.51
Carpenters	EIAC57	EI1277	25.4	48.50	50.27	69.34	13.39	10.91	0.024	0.025	3.53
<b>Carpenters*</b>	<b>Composite*</b>	-		<b>50.2</b>	<b>51.67</b>	<b>71.73</b>	<b>12.38</b>	<b>9.75</b>	<b>0.03</b>	<b>0.021</b>	<b>2.91</b>
<b>Gadsbys*</b>	<b>EIAC41*</b>	<b>EI1128</b>	-	<b>55.73</b>	<b>56.82</b>	<b>79.68</b>	<b>8.36</b>	<b>6.87</b>	<b>0.03</b>	<b>0.045</b>	<b>1.91</b>

**Table 2** Results of magnetic separation tests on drill samples from several Prospects. "Bulk Fe%" represents the iron content of the gravels. "Fe%" represents the iron content after simple magnetic separation. "CaFe%" represents the calcined (dry or water removed) grade of the samples. Gadsbys Prospect sample (EIAC41) and a composite sample from the Carpenters channel were subjected to crushing (less than 30 microns) and a second magnetic separation with results denoted by \*.

- Notes:**
- 1) 1m samples; riffle split; no wet samples. Analyses conducted by Genalysis Laboratories using X-Ray Fluorescence Spectrometry with Loss on Ignition (LOI) determined using Thermo-Gravimetric Analyses at 1,000°C
  - 2) Calcined Fe (CaFe) calculated by the formula  $CaFe\% = [(Fe\%) / (100 - LOI1000)] \times 100$

Project Name	EL Number	Grant date	Total Area (Square kilometres)	Kilometres of CID Target	Kilometres of DID Target	Total Target Kilometres
<b>Cobar Project Area</b>						
Cobar East	EL 6710	1 Feb 07	267	63	0	63
Coolabah West	EL 6711	1 Feb 07	294	76	5	81
Oakvale	EL 6706	23 Jan 07	283	74	19	93
Quartermaine	EL 6953	30 Nov 07	188	56	0	56
Techno	EL 6954	30 Nov 07	294	90	21	111
Tottington	EL 6956	30 Nov 07	292	67	20	87
Wendoline	EL 6957	30 Nov 07	214	9	46	56
Shaun	EL 6958	30 Nov 07	228	47	10	56
Wallace	EL 6959	30 Nov 07	204	17	16	32
Gromit	EL 6960	30 Nov 07	207	52	11	64
<b>Main Line Project Area</b>						
Bimbella	EL 6671	5 Dec 06	285	104	5	110
Euabalong	EL 6672	5 Dec 06	288	143	0	143
McGraw	EL 6961	30 Nov 07	257	76	0	76
Flamingo	EL 6952	30 Nov 07	271	95	0	95
Preston	EL 6962	30 Nov 07	262	67	0	67

**Table 3** List of Exploration Licences held by Eastern Iron Limited and PlatSearch NL

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