



PLATSEARCH NL

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The Company Announcements Office
Australian Stock Exchange Limited

ANNOUNCEMENT OF JOINT VENTURE WITH RED METAL LIMITED CALLABONNA PROJECT, SA

PlatSearch is pleased to announce that a Heads of Agreement has been signed with Red Metal Limited (Red Metal) in relation to PlatSearch's Callabonna tenement EL 2886. The Callabonna tenement (PlatSearch 100%) covers an area of approximately 710 square kilometres located on the northern margin of the Curnamona Craton in South Australia and is considered to be prospective for large iron oxide copper-gold (IOCG) deposits, of a similar style to the Olympic Dam deposit.

The agreement permits Red Metal to earn a 51% interest in the tenement by completing expenditure of \$1,000,000 on the tenement. This expenditure shall include a minimum commitment work programme consisting of a detailed gravity survey covering extensive parts of the tenement area, to be completed within the first 12 months. When Red Metal has earned a 51% interest, the parties will enter into a joint venture agreement that permits Red Metal to increase its interest to 70% by completing further expenditure of \$2,000,000.

When Red Metal has earned a 70% interest, PlatSearch can participate with its 30% interest, or convert to a 15% interest carried to the decision to mine stage, or exchange its interest for a net smelter return (NSR) royalty. If PlatSearch elects to have a 15% carried interest then the carried expenditure shall be repayable to Red Metal from 80% of PlatSearch's share of the net proceeds of mine production.

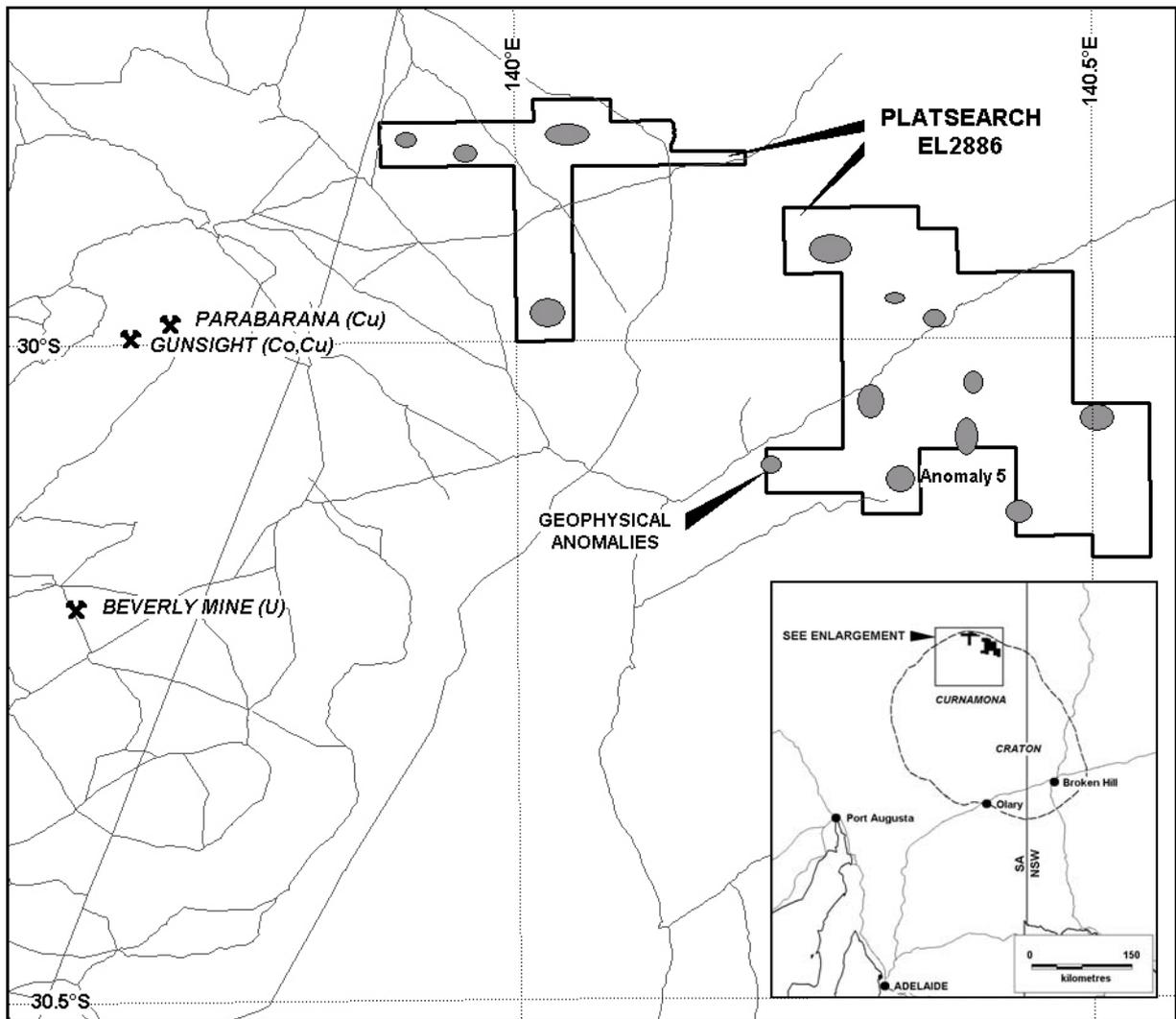
In 2002 previous joint venture partner Inco Resources (Australia) Pty Limited (Inco), a wholly owned subsidiary of Inco Limited, funded a rotary/core hole to 630 metres depth which was targeted on a large magnetic anomaly at the Anomaly 5 prospect. The hole intersected a highly altered, ferruginous, brecciated body with abundant magnetite, haematite, disseminated pyrite and moderately anomalous base metals. Maximum values were 1,143ppm zinc, 780ppm copper and 671ppm lead. Although these are sub-economic levels, the results demonstrated that the Anomaly 5 system is significantly anomalous in base metals and the degree of alteration encountered showed evidence of intense hydrothermal activity.

There are at least 10 other similar geophysical targets within the Callabonna tenement. It is hoped that planned gravity surveys being undertaken currently by Red Metal will assist in the identification of further IOCG targets and the planning of drilling programmes to test these.

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Bob Richardson
Managing Director

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



Plan shows location of PlatSearch's Callabonna tenement EL 2886