

**ASX Code: PTS**

Issued Shares: 175.3M

Unlisted Options: 23.9M

Cash Balance for PTS: \$11.4M

Cash Balance for Group: \$12.4M

ABN 16 003 254 395

**DIRECTORS**

Pat Elliott

Greg Jones

Kwan Chee Seng

Dr Kah Foo

Alan Breen

**TOP SHAREHOLDERS**

Kwan Chee Seng

Xiangjun Zhang

Minotaur Resources

Viking Investments

Top 20 Shareholders hold 72.5%

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[www.platsearch.com.au](http://www.platsearch.com.au)**HIGHLIGHTS**

- Thomson Resources commenced air core drilling over the **Achilles** base metal project south of Cobar. Results are expected in August.
- **Silver City Minerals Limited** completed RC drilling at the Umberumberka silver mine, Razorback West, Champion and Allendale base metal prospects near Broken Hill. A best result of 10 metres at 6.2% zinc, 3.4% lead and 26g/t silver was recorded at Allendale.
- Eastern Iron Limited completed drilling as part of its planned mine scoping study over the advanced **Nowa Nowa** iron project, Victoria. Assays returned for a hole completed over Seven Mile deposit recorded a strong intersection of 71.4 metres at 46.3% iron.
- Eastern Iron completed an initial Resource estimate of for the **Hawkwood** magnetite iron project, southern Queensland. Considerable upside remains.
- **Eastern Iron** completed a rights issue to raise sufficient capital to complete the scoping study at Nowa Nowa. PlatSearch took up its full entitlement. On completion of the issue on 5 July, PlatSearch's shareholding in Eastern Iron increased to 57.2%.
- **PlatSearch** continued assessment and acquisition work for advanced properties within Europe. Good progress has been achieved and the Company remains confident that it will be successful in acquiring high quality, advanced properties.
- PlatSearch continued to seek joint venture partners for its key exploration assets within Australia and has commenced relinquishing lower priority projects with the view conserving its **strong cash position**.
- As at the end of the quarter, the Company held \$11.4 million in cash (before cash out for the Eastern Iron rights issue). **Liquid investments** held in other listed resource companies totalled \$5.7 million. Total liquid assets are equivalent to approximately 9 cents per share.



## EXPLORATION

### CURNAMONA PROVINCE / BROKEN HILL, NSW AND SA

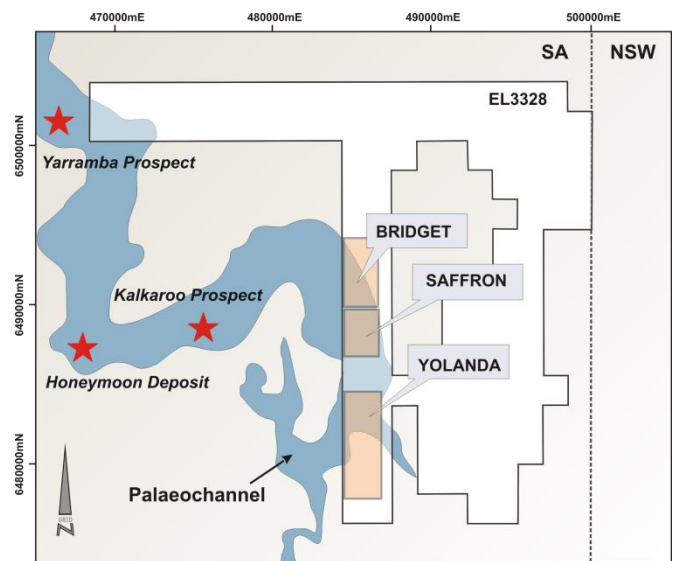
**MUNDI PLAINS, NSW - UXA JV - PlatSearch 20%, Teck 40%, UXA 40%**

**JUNCTION DAM, SA– UXA JV - PlatSearch 16%, Eaglehawk 4%, Teck 40%, UXA 40%.**

**Uranium JV - PlatSearch 5.0%, Eaglehawk 1.2%, Teck 6.5%, Marmota 87.3%**

### JUNCTION DAM URANIUM JOINT VENTURE

Marmota Energy Limited (ASX: MEU) announced that it has completed additional drilling designed to map palaeochannel architecture at the Saffron and Bridget deposits at Junction Dam. The drilling intersected uranium mineralisation to the east and south beyond the current resource boundary of the Saffron deposit. Marmota considers that these new intersections, along with the consistent positive disequilibrium\* results ranging up to 2.25 (February 2012 announcement), has the potential to significantly increase the current resource at Saffron (Figure 1).



**Figure 1 - Key Uranium prospects at Junction Dam**

In addition, drilling within the Bridget prospect continued to generate new intercepts and indicates that mineralisation from Saffron through Bridget can be interpreted to extend for a strike length in excess of 6.5 kilometres (and open to the north).

Key areas of the Yolanda prospect were tested with broad spaced drilling also intersecting uranium mineralisation. Marmota consider that Yolanda is also expected to add significantly to the Resource inventory at the Junction Dam project.

### UXA JOINT VENTURE

UXA Resources Ltd (ASX: UXA) is currently earning Teck’s interest in the PTE joint venture covering both the Junction Dam and Mundi Plains tenements (but not including the Junction Dam uranium JV with Marmota). UXA has met the initial \$1.2 million minimum spend on exploration and will earn 50% of Teck’s interest when it has completed \$2.0 million of expenditure.

\*Disequilibrium is an imbalance between the actual uranium content and the radioactivity emitted by a given volume of rock. The Disequilibrium Factor (DEF), measures the ratio between the grades of U<sub>3</sub>O<sub>8</sub> recorded using final chemical assaying (ppm U<sub>3</sub>O<sub>8</sub>), as compared to measurements recorded in a standard gamma-ray probe used to measure initial radioactivity during drilling. The laboratory assay measures the actual uranium content, as compared to the gamma-ray probe, which measures an equivalent grade based on calibration. A DEF of >1.0 indicates there is more uranium contained in the mineralised zone than recorded by the gamma-ray probe.



One of the key exploration targets within the joint venture area is the Polygonum - Mammoth Cu-Au and Pb-Zn-Ag prospect. This highly prospective mineralised zone was previously identified in drilling by a number of companies (including CRA and Inco) who recorded significant intersections including 3.8 metres at 9.25% zinc + lead (Figure 2).

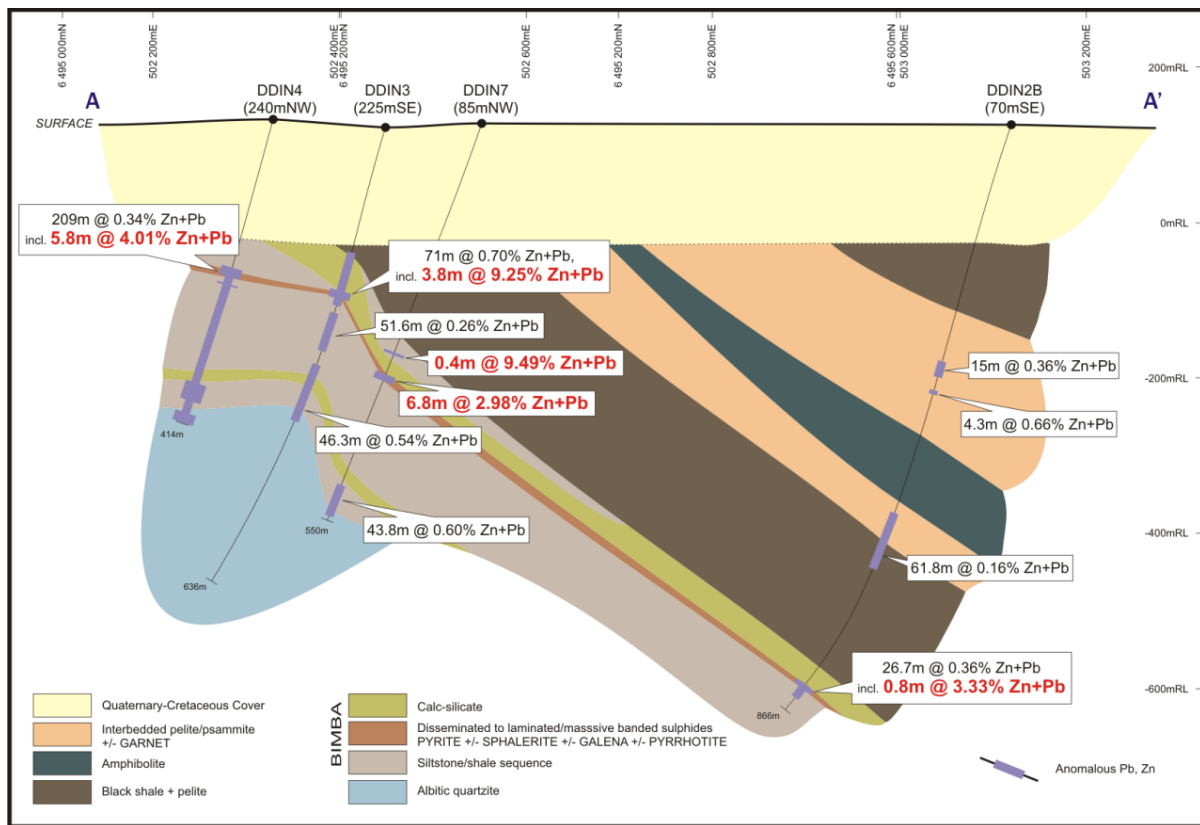


Figure 2 – Polygonum cross section (courtesy of UXA)

Polygonum-Mammoth is located within a well known mineralised horizon, the Bimba Formation, which in South Australia hosts the Portia (Au) and Kalkaroo (Cu, Au) deposits and stretches for over 50km in strike length through the Junction Dam and Mundi Plains tenements.

During the quarter, UXA completed a review of the historical data for the project, including the examination of old drill core held in Broken Hill. UXA has prepared a new exploration program, including geophysics and drilling, to follow up the previous mineralised drill intersections targeting stratabound Pb-Zn-Ag mineralisation in the Bimba and within the overlying garnet-rich metasediments, believed to be the lateral extension of the Broken Hill ore horizon. The review of data has highlighted the possibility that the Polygonum-Mammoth area is part of third order basin (Figure 3) which, elsewhere in the world, are recognised as important controlling basins for hosting major stratabound Pb-Zn-Ag deposits.

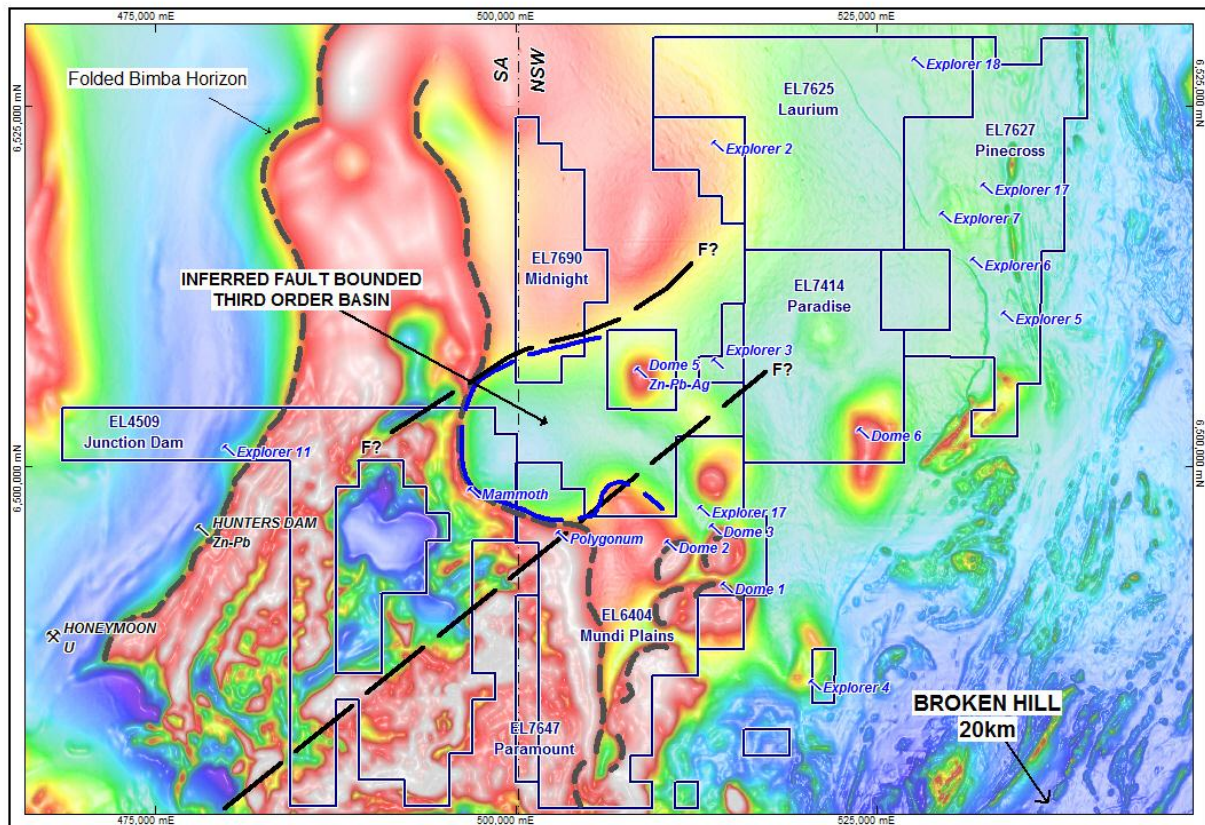


Figure 3 – Polygonum/Mammoth - Bimba horizon and structures over magnetics (courtesy of UXA)

**HILLSTON PROJECT, NSW** – PlatSearch 39.2%, Eaglehawk 9.8%, Perilya 50%, can earn 80%

A significant regional airborne electromagnetic (VTEM) survey was completed in early February 2012, covering a large portion of the Hillston tenement. Preliminary anomalies identified from the survey include two areas which appear to be related to bedrock conductors. Field checks as well as spatially constrained inversions of the EM data were completed. EM data is currently being reviewed to attempt to generate additional targets at depth.

## INVESTMENTS

PlatSearch maintains a diversified portfolio of investments within a number of ASX-listed resource companies. The key companies within the portfolio are –

**Eastern Iron** – Iron projects in Victoria, Queensland and NSW

**Silver City Minerals** – Significant exploration interests around Broken Hill, NSW

**Thomson Resources** – Dominant landholding within the Thomson Fold Belt, NSW

**WPG Resources** – Iron, coal and potash projects in South Australia

**Agua Limited** - Phosphate and potash projects in Brazil.



In June 2012 Eastern Iron completed a rights issue to raise funds to complete a mine scoping study over its advanced Nowa Nowa iron project in eastern Victoria. PlatSearch supported the rights issue, taking up its full entitlement and increasing its shareholding in the company to 57.2%. This significant investment by PlatSearch (\$1.16 million) reflects the Company's conviction of the quality of Nowa Nowa and the potential to generate strong cash flows if brought into production. Eastern Iron has commenced drilling and expects the scoping study to be completed in the December quarter.

As a result of its successful investment strategy and strong returns generated over the last few years, as at the end of June 2012 PlatSearch had \$11.4 million in cash (not including the \$1.16 million investment into Eastern Iron due in July), a sound financial position for the Company to progress its work.

In addition, as at 27 July 2012, despite significant market volatility, the total value of the PlatSearch shareholdings in other ASX listed resource companies stood at approximately \$5.7 million.

## EASTERN IRON LIMITED

### Nowa Nowa

Eastern Iron (ASX: EFE) continued to focus its main activities on the evaluation of a possible mining development of the Nowa Nowa Project in eastern Victoria. In February 2012 Eastern Iron announced an Inferred Resource for both the main Five Mile and Seven Mile deposits (9.47 Mt at 49.1% iron). Initial metallurgical tests suggest that the iron material is highly amenable to a low cost beneficiation process producing a potentially high value iron product.

During the quarter the company commenced core drilling on both the Five and Seven Mile deposits to provide confirmation of the Resource model and additional metallurgical samples as part of a planned mine scoping study. Eastern Iron appointed an experienced study manager (Engenium) to evaluate options for mining, processing and transport of the product as well as generating capital and operating cost estimates.

The company completed four holes into the deposits and commenced more detailed metallurgical work to investigate optimum conditions for beneficiation of the Nowa Nowa iron ore to a +60% iron product by crushing, screening and low intensity magnetic separation.

Assay results received from the Seven Mile hole (NDD011) recorded a strong intersection of 71.4 metres at 46.3% iron from surface. Other core holes from Five Mile have recorded visually encouraging iron-rich intervals. Assays are pending.



Figure 4 - Nowa Nowa location



### Eulogie

Eastern Iron completed a concept study into a potential development of the defined resource (465Mt at 14.2% iron) at the Eulogie magnetite project. The study has indicated that a 20Mt per annum operation, producing 3.2Mt of magnetite concentrate per annum, and exporting via Gladstone Port is feasible with estimated cash costs of \$76/t FOB and capital costs of \$605 million.

Eastern Iron has approached several parties with a view to securing funding for a mine feasibility study. These discussions are ongoing.

### Hawkwood

The company completed an initial Resource estimate over the Hawkwood based on recent drilling and geophysical surveys (Figure 5) which outlined the surface trace of the magnetite-bearing ferrigabbro units. The Resource was calculated to 200 metres in depth, but only covered a small proportion (approximately 2.5 kilometres) of the interpreted strike projection (at 12 kilometres) of the magnetite-bearing ferrigabbro units. Additional drilling is expected to significantly increase the defined size of the deposit.

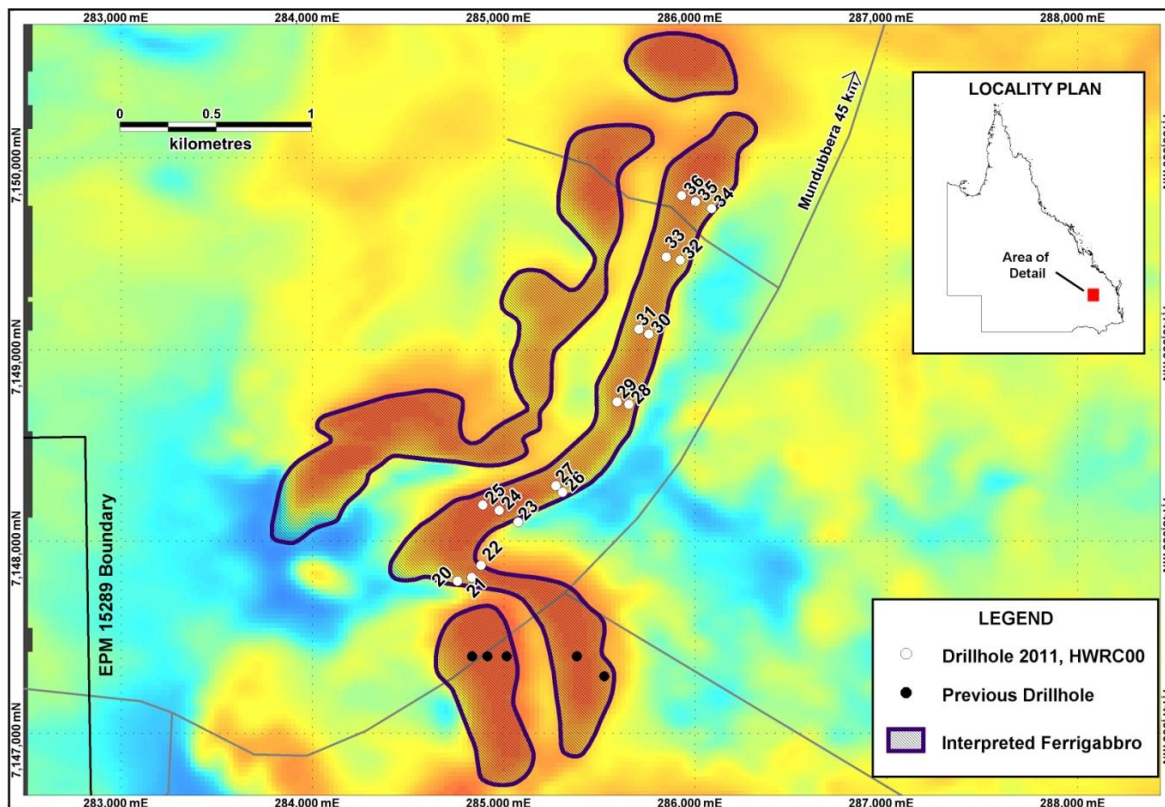


Figure 5: Hawkwood – drillhole locality plan



In summary (at a lower cutoff of 10% DTR) the Hawkwood Resource is as follows:

	Tonnes (Mt)	DTR	Fe%	TiO <sub>2</sub> %	V%
<b>Inferred</b>	103.7	12.2	13.8	1.83	0.05

DTR analytical results indicate that concentrate produced from the deposit is notably lower in titanium (TiO<sub>2</sub>) and higher in iron than comparable titaniferous deposits as reflected in the high quality concentrate (DTR) analysis for the Resource:

	Fe%	TiO <sub>2</sub> %	V <sub>2</sub> O <sub>5</sub> %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	S%
<b>DTR Conc</b>	64.6	1.63	0.6	3.26	1.96	0.65

**Corporate**

During the quarter Eastern Iron completed a pro-rata Entitlement Offer whereby shareholders were offered 2 shares for every 3 fully paid ordinary shares at an issue price of \$0.055 per new share. A total of 23.0 million new shares were issued raising a total of \$1.27 million which will be used to fund the Nowa Nowa mine scoping study.

*On completion of the issue on 5 July, PlatSearch’s shareholding in Eastern Iron stands at 52.5 million ordinary shares (57.2%) and 5.0 million 35 cent options. As at 27 July 2012, EFE shares were trading at \$0.045.*

*More details regarding Eastern Iron’s activities can be obtained from its website.*

**THOMSON RESOURCES LTD**

As announced in April 2012, Thomson Resources (ASX: TMZ) has entered into joint venture agreements with PlatSearch to earn up to an 80% interest in two base metal projects in the Cobar region, Ghost rider and Achilles. Both projects are considered high quality and add value to the exploration portfolio of Thomson, a company that PlatSearch helped conceive and bring to IPO.

Thomson commenced drilling into a number of projects including the Warraweena porphyry copper project, the Louth gold project and the Achilles base metal project, southern Cobar region.

At Achilles, shallow air-core drilling traverses focused on testing outcropping sections of the Mount Boorithumble prospect where previous drilling in 1981 intersected 3 metres at 2% lead, 2% zinc, 1.2% copper, 0.5 g/t gold and 150 g/t silver from 117 metres. Assays are pending.

*PlatSearch holds 18,000,000 fully paid Thomson shares, or 25.7% of the company and 5,000,000 options exercisable at 30 cents. As at 27 July 2012, TMZ shares were trading at \$0.45.*

*For further details please refer to the TMZ website.*



## SILVER CITY MINERALS LIMITED

Silver City completed over 4,000 metres of drilling at four projects including Allendale, Umberumberka, Champion and Razorback West.

### Allendale

Silver City considers that the project remains a strong candidate for near-term resource delineation. A second drilling phase of 15 holes (1,795 metres) continued to intersect base metal and silver mineralisation including a new zone at the southern end of the prospect. Hole 12AN035 recorded 10 metres at 6.2% zinc, 3.4% lead and 26 g/t silver from 73 metres, including 3 metres from 79 metres at 11.4% zinc, 8.9% lead and 67 g/t silver south of previous drilling (Figure 6). Results from the remaining holes and subsequent geological interpretation are pending.

### Umberumberka

This tenement hosts the historic Umberumberka silver mine. Geological survey records indicate that historic production was of the order of 39,000 tonnes at grade of approximately 10% lead and 800g/t silver.

Silver City completed five RC holes testing the near mine strike and down-dip continuation of mineralisation. Results included an intersection in hole 12UM002 of 2 metres at 254g/t silver and 6.3% lead from 39 metres. The drilling program did not fully test the mineralised structure at Umberumberka due to rig limitations and ground conditions. A larger drill rig was moved to the site in June and a deeper hole was completed in order to test beneath the old workings. Results from this last hole are pending.

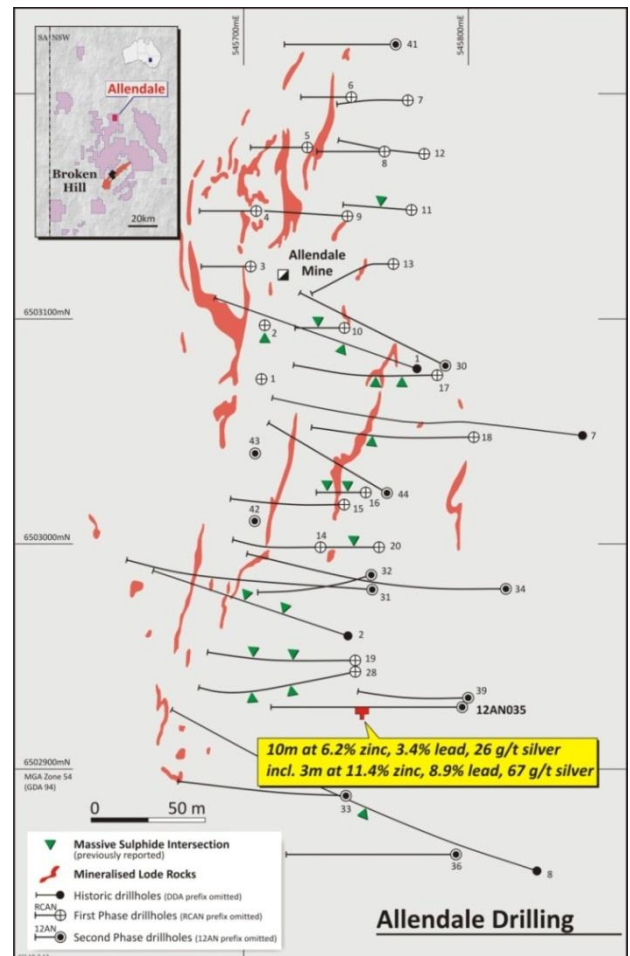
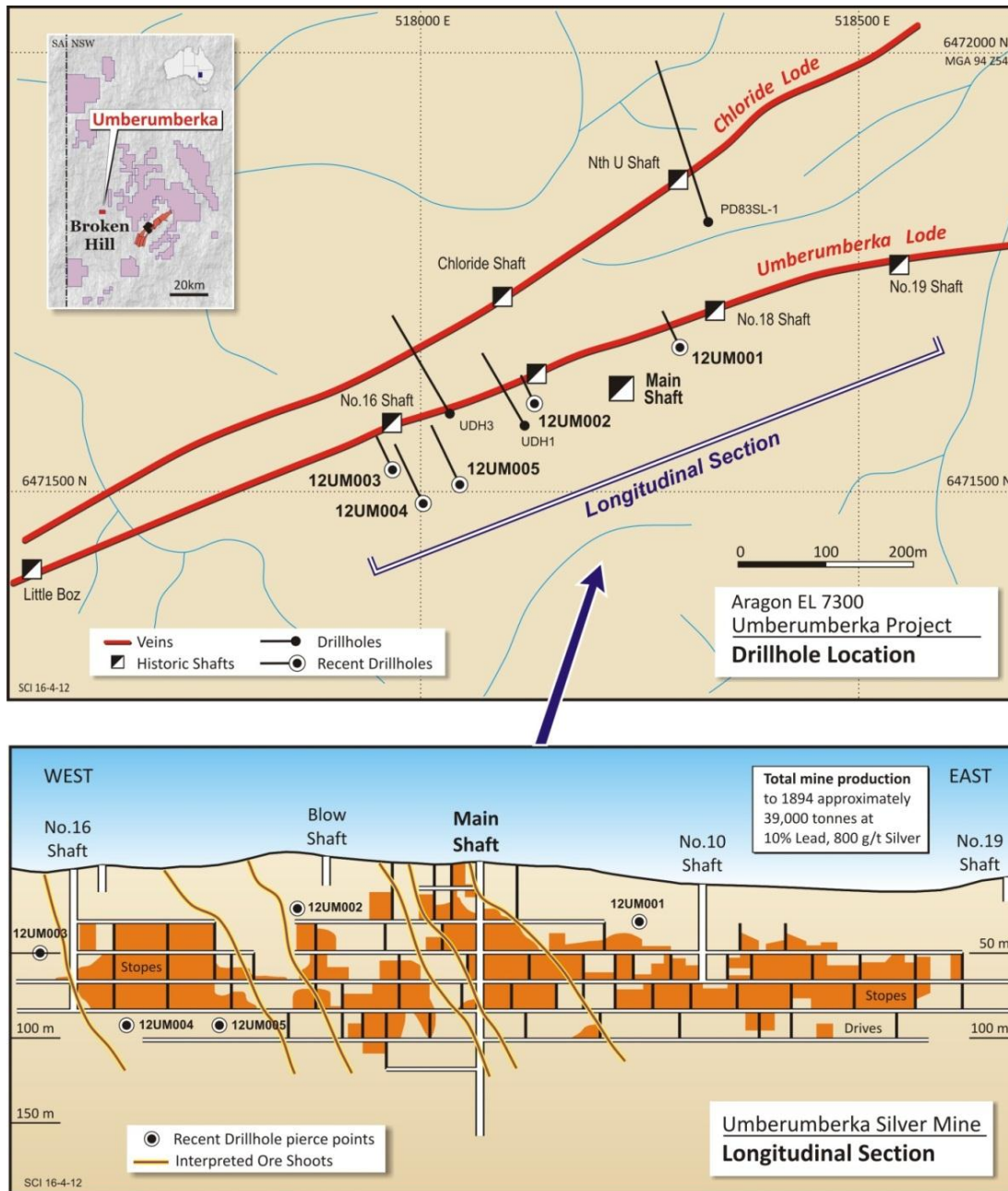


Figure 6 -SCI Allendale drillhole locality plan showing hole 12AN035 mineralised intersection





**Figure 7 - Umberumberka silver mine plan and longitudinal section showing extent of vein structures, old stope plans and the location of five reverse circulation holes completed by SCI**

### Champion

The Champion Prospect contains BHT style, folded gahnite quartz lode rocks which outcrop over a distance of 500 metres. Three shallow holes for a total of 231 metres were completed to test for lode repetitions, or the presence of thicker zones in fold hinges. Significant results are as follows:

- 4 metres at 9.0% zinc from 33 metres in Hole 12CH001.
- 3 metres at 6.7% zinc from 26 metres in Hole 12CH002.
- 2 metres at 1.7% zinc from 48 metres in Hole 12CH003.



### **Razorback West**

Sixteen RC drill holes tested the central section of a large lead, zinc, manganese geochemical anomaly previously identified by auger and RAB drilling. This geochemical anomaly, largely hidden beneath a thin veneer of soil and alluvium, may represent the same geological horizon which hosts the large Broken Hill deposit lying 15 kilometres to the south.

The RC drilling defined zones up to 50 metres wide of steeply dipping metamorphosed sandstones and siltstones with highly anomalous zinc, manganese, lead and locally silver. This geochemical anomalism is considered characteristic of rocks which host the Broken Hill ore body. Follow-up is planned.

*PlatSearch's shareholding in Silver City is 14.3 million fully paid shares, or 14.6% of the company and 4.78 million options exercisable at \$0.25 each. As at 27 July 2012, SCI shares were trading at \$0.10.*

*For further details refer to the Silver City website.*

### **WPG RESOURCES LTD**

WPG Resources (ASX: WPG) has completed initial drilling at its Giffen Well iron project. Giffen Well contains Proterozoic BIF hosted magnetite mineralisation similar to that found at the Hawks Nest deposit. The results of the drilling program to date are encouraging and in line with WPG expectations. A maiden JORC compliant resource figure for Giffen Well is expected to be released in the September quarter. Preliminary pit design and resource modelling is underway.

WPG's other key projects include the advanced coal project, Penrhyn, which contains a total resource of 352Mt of coal, and the land it owns at Port Pirie, with approvals and capacity to develop an iron ore receipt, storage and load-out facility.

*PlatSearch holds 10.4 million fully paid WPG shares, or 4.2% of the company. As at 27 July 2012, the WPG trading price was \$0.057.*

*For further details refer to the WPG website.*

### **AGUIA RESOURCES LIMITED**

Agua Resources (ASX: AGR) is an exploration company that has acquired interests in substantial phosphate and potash projects in Brazil. Agua holds interests in three highly prospective and potentially large scale phosphate projects, the Lucena and Mata da Corda Phosphate Projects and the Tres Estradas carbonatite-style phosphate project in Rio Grande do Sul, southern Brazil.

Agua announced that it was accelerating its efforts at Tres Estradas, a significant new phosphate discovery. On 15 June Agua published an initial JORC compliant Inferred Resource for the project and the company has commenced a second stage diamond drilling program comprising 21 holes for 3,870 metres to significantly expanding the Resource.

*PlatSearch currently holds 1,185,000 fully paid shares, as well as 200,000 options exercisable at \$0.50. As at 27 July 2012 Agua shares were trading at \$0.17.*

*For further details refer to the Agua website.*



## BUSINESS DEVELOPMENT

As previously outlined to shareholders, PlatSearch has identified a range of advanced and brownfield opportunities within Europe following detailed regional geological and metallogenic studies. Through its wholly owned European subsidiary, Variscan Mines SAS, the Company is currently progressing project acquisition work. To date, good progress has been achieved and the Company remains confident that it will secure high quality, advanced projects within this very under-explored, but well endowed region.

Within Australia, PlatSearch is maintaining a strategy of grass roots generative work and tenement acquisition, followed by farm-out, with PlatSearch retaining a carried interest. This brings additional funding into the projects whilst helping to conserve PlatSearch's cash, which is being focussed into acquiring more advanced projects to help move the Company towards production and sustainable cash flow.

Recently the Company assessed its current portfolio of exploration projects in Australia and has commenced relinquishing lower priority properties. The Company expects to significantly reduce its total landholding of projects in both NSW and SA over the next six months and to scale back direct exploration expenditures to assist in preserving its cash position.

## CORPORATE AND FINANCIAL

### FINANCIAL

Cash expenditure by the PlatSearch group on exploration and project appraisal for the quarter was \$328,000. Expenditure by joint venturers on PlatSearch projects was \$869,000 for the quarter. Cash funds available for PlatSearch and for the Group at 30 June 2012 were \$11.4 million and \$12.4 million respectively. Eastern Iron is consolidated with PlatSearch NL and its wholly owned subsidiary Bluestone 23 Pty Ltd (The Group). The Company has no borrowings.

### PlatSearch NL

**Greg Jones**  
Managing Director

*The information in this report that relates to Exploration Results is based on information compiled by Greg Jones, BSc (Hons), who is a member of the Australasian Institute of Mining and Metallurgy. Mr Jones is a Director of PlatSearch NL and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".*

*The information in this report that relates to Mineral Resources for Eastern Iron Ltd for Nowa Nowa and Hawkwood is based on information compiled by Arnold van der Heyden, BSc, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr van der Heyden is a full-time employee of Hellman & Schofield Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves"*

*Both Messrs van der Heyden and Jones consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*