



# PLATSEARCH NL

ACN 003 254 395

31 January 2005

## QUARTERLY REPORT FOR PERIOD ENDED 31 DECEMBER 2004

### HIGHLIGHTS

- Joint venturer Red Metal has engaged a drilling contractor to complete two deep holes to test Olympic Dam style targets on PlatSearch's **Callabonna** and **Quinyambie** tenements. Drilling is expected to commence in early March 2005.
- Perilya has completed a substantial programme of soil geochemical sampling and RAB drilling programme on PlatSearch's **Hillston** tenement at Broken Hill, NSW. Strongly anomalous copper has been outlined in two areas including the old Coultra Copper Mine, which has been identified by Perilya as a priority drilling target.
- A joint venture agreement with a major mining company regarding the **Frome** and **Poverty Lake** tenements is being documented.
- The intended IPO by Western Plains Gold is progressing well. Subject to the successful listing and raising of \$4.8 million by WPG, PlatSearch will hold approximately 18% interest in WPG. Substantial work programmes will be undertaken on the **Euriowie** and **Mulyungarie** joint venture projects with PlatSearch and on the **Redan** and **Trundle** projects in which PlatSearch has a royalty interest.
- Inco is planning a programme of ground follow-up geophysical work, expected to commence in March/April 2005, on the **Wynbring** licence.
- Discussions are in progress with potential joint venture partners regarding a number of PlatSearch tenements, including Mirikata, Yanco Glen, Kalabity, Toolgerie, Mundi Plains, Junction Dam and Cymbric Vale.

**CURNAMONA PROVINCE/BROKEN HILL, NSW AND SA****Mundi Plains, NSW** – *ELA 2424 PlatSearch 100%*

The Mundi Plains tenement is a new licence application that covers relinquished parts of the Mundi Mundi EL 4657 and the previous Thunderdome EL 5921 tenement. The new tenement covers all of the Polygonum prospect and the prospective stratigraphy along strike, as well as the domal structures Domes 1 to 5, where previous drilling has returned encouraging lead-zinc intersections. It does not include a small area that covers the easterly extension of the K1 copper-gold prospect, Mulyungarie project, now the subject of a joint venture agreement with Western Plains Gold Ltd (WPG). Discussions with potential joint venture partners regarding the funding of further work to search for lead-zinc mineralisation on the Mundi Plains tenement are continuing.

**Junction Dam, SA** – *ELA 774/04 PlatSearch 80%, Eaglehawk 20%*

The Junction Dam tenement application covers part of the area of the Mulyungarie EL 2776 which was relinquished in accordance with PlatSearch's joint venture agreement with WPG. The Mulyungarie licence has been reduced substantially to cover only the K1 and K2 copper-gold prospects, which will be the principal targets for WPG. Within the Junction Dam tenement PlatSearch has identified a number of prospects that require further work including drilling. Discussions with potential joint venture partners regarding the funding of further work are continuing.

**Hollis Tank, NSW** – *EL 5765, PlatSearch 80%, Eaglehawk 20%; BHC can earn 75%*

The Hollis Tank tenement has been reduced in size by approximately 30% in accordance with the joint venture agreement with Broken Hill Cobalt Limited (BHC) signed and announced in the previous quarter. The reduced area covers prospects considered to be prospective for stratabound copper-gold-cobalt deposits, including the Great Goulburn Mine and lead-zinc deposits. Following a successful IPO by BHC this style of deposit will be the principal target for ongoing exploration in this area. BHC will commence its exploration with a regional soil/calcrete survey.

**Hillston, NSW** – *EL 6363, PlatSearch 80%, Eaglehawk 20%; Perilya can earn 80%*

EL 6363 Hillston replaces the Coultra EL 6041 and the relinquished southern part of the adjacent Hollis Tank EL 5765. These tenement changes have been made in accordance with the terms of the joint venture agreements with Perilya and BHC which were signed and announced during the previous quarter.

During the December quarter joint venturer Perilya completed 22,440 metres of gridding, 2,162 Niton soil analyses and 156 RAB drill holes. The soil sampling identified two strong copper soil anomalies: one over the old Coultra copper workings that extend approximately 200 metres north and 400 metres south of the old shafts (maximum value 6,674 ppm) and the other anomaly centred 2.1 kilometres west of the main Coultra shaft and extending approximately 800 metres north south. The area between these two anomalies also has elevated copper values in soil samples on two lines.

The RAB drilling identified a copper anomaly overlying the Coultra line of workings extending about 3 kilometres north and 400 metres south of the old shaft on a northeast trend. The highest RAB intervals were 3 metres at 1.93% copper and 1 metre at 120 g/t silver. Zinc anomalism was found in the same trend but only extending 800 metres north and 400 metres south.

The focus of Perilya's exploration work is a regional shear (the Hillston Fault), linked to the Globe Vauxhall Fault, a major structure considered to be related to the Broken Hill Line-of-Lode. Located on this regional shear, the old Coultra Copper Mine is a copper-rich quartzite hill in an area of extensive cover, where historic shallow RAB drilling intersected strong copper and lead-zinc anomalies, which remain open south and north for at least 3 kilometres. Near-surface malachite was intersected over significant widths in five shallow (<60 metres) RC holes drilled in the 1970s. One diamond hole was drilled previously to test an associated induced polarisation anomaly, but this hole never reached the target depth. The 500 metre long copper target, open north and south, remains untested below 30 metres vertical depth and is considered by Perilya to be a target worthy of deeper drill testing.

**Cymbric Vale, NSW** – ELA 2457, PlatSearch 50%, Paradigm Mexico 50%

A new tenement has been applied for on the Koonenberry Belt, near Broken Hill, NSW. The tenement covers a possible ultramafic intrusive considered prospective for sulphide nickel deposits. The Koonenberry Belt is characterised by multiple, deep crustal, probably mantle-tapping structures with subsidiary splays and cross structures. Ultramafic intrusives are known to occur along these structures. To the immediate north of PlatSearch's tenement an outcropping ultramafic intrusive at Mt Wright is highly anomalous in nickel, cobalt and copper, however, it is located within a national park and is unavailable for exploration.

Aeromagnetic data shows evidence for a large ultramafic intrusive concealed by shallow alluvial soil cover within PlatSearch's area. PlatSearch is seeking a joint venture partner to fund a RAB drilling programme to investigate this intrusive.

**Callabonna, SA** – EL 2886, PlatSearch 100%; Red Metal can earn 70%

Gravity data collected to date has highlighted a significant gravity response coincident with a structurally controlled magnetic anomaly and located along a craton-scale fault trending northwest.

A Part 9B access agreement with the Adnyamathanha native title claimants was completed and site clearances were conducted. The agreement is expected to be signed shortly.

The combined high gravity and magnetic target will be drill tested with one vertical rotary mud/diamond drill hole to a depth of 700-900 metres. Basement rocks are covered by Great Artesian Basin sediments which contain pressurised artesian aquifers. Drilling will require specialist water bore drillers to complete the mud precollar to basement rocks estimated to be 480-500m below surface. A conventional diamond drill rig will core the basement rocks to test the target. Thompson Drillers have been contracted by Red Metal to complete the mud drill precollar but have been delayed until March/April 2005. Core drilling into basement will follow.

**Quinyambie, SA** – EL 3197, PlatSearch 50%, a prospecting syndicate 50%, Red Metal can earn 70%

The gravity data collected to date highlights the regionally significant gravity response referred to as the Pudding Dam anomaly, which is coincident with a magnetic low and is located between two craton-scale faults trending northwest and northeast.

During the quarter, a Part 9B access agreement with the Adnyamathanha native title claimants was completed and site clearances were conducted. The agreement is expected to be signed shortly.

The Pudding Dam target will be drill tested with one vertical rotary mud/diamond drill hole between 600-900 metres in depth. Thompson Drilling has been contracted by Red Metal to complete the mud drill precollar but have been delayed until March-April 2005. Core drilling of basement will follow.

**Frome and Poverty Lake, SA** – EL 3019, PlatSearch 50%, Allender 50%; EL 2948, PlatSearch 50%, Allender 25%, Hosking 25%

A joint venture agreement with a major mining company is at the documentation stage. A programme of ground magnetic surveys planned for December 2004 was delayed and will now commence in late January.

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

A review of previous work on this tenement (located near Olary, SA) shows potential for intrusive-hosted uranium mineralisation. An earlier explorer discovered an exposure of davidite mineralisation within quartz veining extending over a 2.5 kilometres strike length (the KR4 prospect). Davidite is a titanite of iron, uranium and rare earths. Selective sampling of costean material showed uranium values up to 4%. This is a relatively minor occurrence, however its presence indicates that some basement rocks are strongly anomalous in uranium. Other similar uranium occurrences are known in the surrounding Olary region including Crockers Well, Mt Victoria and notably Radium Hill, the first producing uranium mine in Australia.

Surface rock-chip and LAG soil sampling shows widespread uranium and rare earth anomalism across the tenement. Uraniferous granites are known to be present in the tenement area which is largely soil covered such that, for most of the area, radiometric surveys would not have detected uranium in basement rocks. PlatSearch has planned a calcrete geochemical survey covering most of the tenement area and is in discussion with potential joint venture partners to fund this work.

## **GAWLER CRATON, SA**

**Wynbring, SA** – EL 3234, PlatSearch 100%, Inco earning 60%

Inco Resources (Australia) Pty Ltd (Inco) is preparing submissions and plans for a programme of ground geophysics expected to commence in March/April 2005. Drilling programmes are being planned but are unlikely to commence before May 2005.

The Wynbring tenement covers an area of approximately 2,000 square kilometres on the western margin of the Gawler Craton and is considered prospective for nickel sulphide deposits. Inco can earn a 60% interest in the tenement by spending \$2,000,000 before August 2008.

**Mirikata, SA** – EL 2802, PlatSearch 100%

Previous work has defined four gravity anomalies that represent worthwhile drilling targets for Olympic Dam/Prominent Hill style mineralisation. Discussions are in progress with potential joint venture partners to fund the testing of these targets.

## **WESTERN PLAINS GOLD LTD**

During the quarter PlatSearch announced that it has acquired a 58.2% shareholding in Western Plains Gold Ltd (WPG), a company exploring for copper and gold in Central and Western NSW. This shareholding has been achieved by the sale to WPG of PlatSearch's 80% interests

in the Trundle EL 4512 and Redan EL 5795 tenements, the provision of certain commercial and technical services and investment by PlatSearch in WPG of \$80,000 as seed capital (announced to ASX on 18 October 2004).

Joint venture agreements were signed with WPG on the Mulyungarie (ELs 4657 and 2776) and Euriowie (ELs 5771 and 6188) projects at Broken Hill with details announced to the ASX on 23 September 2004. In addition, WPG has two projects in its own right, Lake Cargelligo ELA 2368 and Peak Hill East EL 6342, located in the Lachlan Fold Belt, NSW.

WPG intends to list on the Australian Stock Exchange and PlatSearch shareholders will have a priority offer to buy its shares. Following a successful listing and the raising of \$4.8 million by WPG, PlatSearch should hold approximately 18% of WPG. During the first year following the listing, WPG will complete exploration expenditure totalling at least \$758,000 on the Trundle, Redan, Mulyungarie and Euriowie tenements.

WPG is in the process of finalising its IPO prospectus and plans to submit this to the ASIC and ASX in early February. PlatSearch management believes that the potential for new gold and copper discoveries in its areas at Broken Hill and in the Lachlan Fold Belt is outstanding and that the involvement of WPG will greatly improve the odds for such discoveries.

## **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 \$95,000. Expenditure by joint venturers on the Company's projects was \$397,000 for the quarter. On 18 October PlatSearch announced a placement of 2,142,857 shares at 7 cents that raised \$150,000. The Company has no borrowings. Cash funds available at the end of the quarter were \$155,000.

## **PLATSEARCH NL**

**Bob Richardson**  
Managing Director

*The information on mineralisation contained in this report accurately reflects information compiled by R L Richardson, BSc, BE (Hons), MAusIMM, MASEG, Managing Director 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 report.*