



# PLATSEARCH NL

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Company Announcements Office  
Australian Securities Exchange

## **BROKEN HILL EXPLORATION TENEMENTS**

### **JV agreement between Silver City Mining Ltd and CBH Resources Ltd at Broken Hill**

PlatSearch is pleased to advise that Silver City Mining Limited (24.2% owned by PlatSearch) has entered into a joint venture with companies in the CBH Resources Limited Group (CBH) over a number of high quality exploration tenements within the Broken Hill region. The tenements lie close to the historic mining centre of Broken Hill, western NSW and are considered prospective for large Broken Hill Type (BHT) lead-zinc-silver deposits and a variety of other base and precious metal mineralisation styles.

The new joint venture includes tenements which were formerly under joint ventures between CBH, PlatSearch and other parties in which PlatSearch had held a beneficial interest of 16% to 48%. PlatSearch has elected to surrender these interests in exchange for the grant of a net smelter return (NSR) (which generally varies between 2% to 2.5%).

The key terms of the agreement are as follows:

1. Stage 1 - Silver City can earn an initial 30% interest in all the tenements by spending \$600,000 on exploration within the next 18 months.
2. Stage 2 - Silver City can earn a further 35% interest in any tenement by expending a further \$500,000 on that tenement within three years after Stage 1 earning is achieved.
3. CBH has the right to clawback to a 50% equity in a particular tenement by payment of four times Silver City's expenditure on that tenement should Silver City make a discovery with estimated in-situ metal value greater than \$150 million.

The new JV tenements cover approximately 376 km<sup>2</sup> over some of the most prospective parts of the Broken Hill block where earlier mapping and exploration defined host rocks favourable for BHT lead-zinc-silver deposits, similar to those found at the Broken Hill mine to the south east (Figure 1).



Over the past three years the ZincSearch joint venture, initiated by PlatSearch and funded by CBH has completed an extensive (>120,000 sample points) geochemical programme over the majority of the JV tenements using a hand held XRF device (Niton) to define and map base metal anomalism within weathered outcrop. This new exploration technology has provided a valuable first-pass filter and targeting method, defining many strong multi-element geochemical anomalies (Figure 1) including the 22-kilometre-long Apollyon Valley trend as well as a number of smaller but strong, discrete anomalies such as at Allendale, Nine Mile and Native Dog. A number of these anomalies represent new exploration targets, not previously well defined or drill tested.

Silver City is currently collating and assessing the CBH data and field checking the prospects. In the near term, the company plans to commence mapping, infill geochemical sampling and drill testing of the highest ranked targets.

The CBH tenement package, combined with the existing Silver City tenements, will give Silver City a dominant tenement position in the Broken Hill district, home of the world's largest silver-lead-zinc deposit.

In the second half of 2008 Silver City raised \$1.4 million through private placement and has commenced work on its other exploration properties in the region. Silver City intends to secure additional funding to help progress its exploration within the new CBH joint venture ground.

**PlatSearch NL**

**Greg Jones**  
Chief Executive Officer

*The information on mineralisation contained in this announcement accurately reflects information compiled by Greg Jones, BSc (Hons), MAusIMM, Chief Executive Officer and a full-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.*

Figure 1 – Silver City/CBH JV tenements with key Niton anomalies

