PLATSEARCH NL

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QUARTERLY REPORT
FOR PERIOD ENDED 30 JUNE 2006

HIGHLIGHTS

- Assays of drill core from the first two diamond core holes at K1 prospect **Mulyungarie** project SA show spotty anomalous gold in both holes up to one metre at 4.5 g/t. The results demonstrate that this very large quartz-haematite-magnetite body is significantly anomalous in gold where intersected. A programme of further drilling has been planned and will commence as soon as a drilling rig can be mobilised.
- PlatSearch has acquired a large ground position in the **Thomson Fold Belt, NSW** where new aeromagnetic data released recently shows potential for base and precious metals deposits and diamonds. PlatSearch has applied for six tenements covering a total area of approximately 1,200 square kilometres and has identified at least 17 targets that warrant detailed investigation.
- The **ZincSearch** joint venture with CBH Resources at Broken Hill is now well advanced with over 17,500 sites sampled by the portable NITON XRF analyser in the Copper King, Razorback, Yanco Glen and Mt Robe tenements. The most recent results from the Mt Robe tenement define a four kilometre long zone where soils are strongly anomalous in zinc, lead and copper up to 28.4% zinc, 12.8% lead and 2,790ppm copper. There is no previous drill testing of this zone.
- Newcrest has completed five precollar drillholes in the **Frome** tenement (Benagerie Joint Venture) in the Curnamona Craton, SA. The targets are considered to be prospective for Olympic Dam style copper-gold-uranium mineralisation. Core drilling in basement rocks will commence when a drilling rig can be mobilised.
- An RC drilling programme planned by WPG for the Mordialloc prospect in the **Trundle** tenement, Lachlan Fold Belt NSW is expected to commence in the September quarter. Work to date shows encouraging indications for Northparkes style porphyry copper-gold mineralisation.
- WPG completed a substantial RAB drilling programme in the **Euriowie** tenement on the Yalcowinna Creek, Son of Man and B40 prospects. The work to date has defined excellent targets on these three prospects and RC drilling will test these targets during the September quarter.
- In June 2006 Red Metal completed the precollar drilling for a second hole on the Dolores East prospect, **Quinyambie** project SA. Encouraging basement rock from the bottom of the precollar comprised strongly weathered siderite-sericite altered breccia with traces of pyrite, chalcopyrite and haematite.

CURNAMONA PROVINCE/BROKEN HILL, NSW AND SA

Euriowie, NSW – *EL 5771 and EL 6188, PlatSearch 80%, Eaglehawk 20%; WPG can earn 60%*

Joint venturer Western Plains Gold (WPG) completed a substantial programme of shallow RAB drilling to define targets for deeper RC drilling on three key prospects.

Three 50-metre spaced lines of RAB holes designed to sample the bedrock over both MLEM anomalies defined from surveys completed during the previous quarter at the ***Yalcowinna Creek Prospect*** were completed. A total of 65 holes were drilled for 553 metres. Results have confirmed the mineralised zone intersected in previous WPG RC percussion holes continues to the south and is present beneath the western linear EM anomaly. Geochemical data has extended the significant copper anomaly associated with the mineralised zone for a further 250 metres under shallow transported cover. In addition, significant copper values were also recorded from samples collected from the bottom of holes drilled over the eastern deeper seated EM anomaly.

A fence of two inclined RC percussion holes and one inclined RC percussion precollared diamond hole have been planned to test both the geochemical and EM targets down dip of the mineralised sub-crop. Drilling will commence as soon as a suitable rig can be contracted.

A RAB sampling programme comprising 276 holes for 447 metres was completed at the ***Son of Man Prospect***. The sampling covered both the central section of the 1,400 metre long gossan zone where previous rock chip sampling by WPG returned values of up to 2.81% copper and 2.97 g/t gold and the MLEM anomaly located to the north of the gossan. Within the zone drilled, assay results have defined a significant copper anomaly with a strike length of at least 500 metres and copper values up to 2,893ppm. A drilling programme comprising four inclined RC percussion holes designed to test both the geochemical and EM anomalies has been planned.

A programme of reconnaissance RAB sampling on wide-spaced lines designed to cover the magnetic and EM anomalies and the area where minor gossans outcrop at the ***B40 Prospect*** has been completed. A total of 105 holes were drilled for 1,761.5 metres. Some of the holes encountered hard silcrete layers and were completed with percussion drilling. Other planned holes in this silcrete zone were not drilled. No significant results were recorded. Targets for possible future deeper drilling will be based on the interpretation of the deeper penetrating geophysical responses.

Assay results were received for samples of sub-crop/float of gossanous iron formation collected during detailed prospecting of the northern B40 anomaly trend that extends for a distance of 4.2 kilometres through to the Strip Tank North prospect. Most samples were moderately anomalous in copper up to a maximum of 0.89%. Five gossan samples from the Strip Tank North area contained anomalous lead (up to 0.27%) and zinc (up to 995 ppm) values.

Mulyungarie, NSW and SA – *EL 4657, PlatSearch 100% and EL 3478, PlatSearch 80%, Eaglehawk 20%; WPG can earn 60%*

Diamond drilling in two holes for a total of 760.7 metres was completed at the ***K1 Prospect*** within the Mulyungarie project area near the SA – NSW border. The holes were designed to test large semi-coincident magnetic and gravity anomalies and were partially funded by PIRSA under the PACE Drilling Collaboration Scheme. The principal exploration target is the discovery of IOCG mineralisation similar to that hosted in ironstone bodies in the Cloncurry and Tennant Creek districts.

Both drill holes intersected significant intervals of quartz-magnetite-hematite (ironstone) lode material situated within a much larger hydrothermal alteration system. Hole DDHK1-1 intersected the ironstone body at a down hole depth 176.8 metres and continued in this material to a depth of 298.8 metres where a large cavity and broken rod string forced the hole to be abandoned. Assay results for this hole show spotty, low-level gold values between down hole depths of 168 and 220 metres. The

upper part of the ironstone averaged 0.53 g/t gold over the nine metre interval between 177 and 186 metres including two metres at 1.65 g/t.

DDHK1-2 was drilled 200 metres to the southwest of DDHK1-1 and was completed at a depth of 462 metres. The hole intersected the ironstone body, towards what is interpreted to be its western end, from down hole depths of 125 metres to 185 metres. Below 185 metres, the rocks are intensely quartz-K-feldspar-chlorite altered and contain sulphide bearing quartz-magnetite-hematite veins together with common disseminated pyrite and occasional veins of massive pyrite up to ten centimetres thick. Narrow breccia zones are also present within the core. Assay results for DDH K1-2 are similar to DDHK1-1 with low level anomalous gold values present between down hole depths of 142.0 to 155.0 metres and 223.2 to 231.0 metres. The upper interval coincides with part of the massive ironstone intersected in this hole. Two high grade assays were obtained from the lower anomalous interval with 7.12 g/t gold recorded from a 30 centimetre massive pyrite vein between depths of 223.2 – 223.5 metres. An assay of 4.46 g/t gold was recorded from the interval 225.0 – 226.0 metres co-incident with a zone of prominent pyrite veining.

The assay results from the first two holes show that the K1 hydrothermal system and the enclosed ironstone lode is significantly gold anomalous. The system is also anomalous in rare earth elements up to 623ppm cerium, 240ppm lanthanum and 169ppm uranium probably due to the presence of minor monazite that was noted in previous petrological studies.

Neither hole fully intersected the ironstone body which is interpreted from geophysical evidence to be up to at least 200 metres thick and approximately 900-1,000 metres long. The depth to the top of the body is approximately 120 metres. The drilling to date has tested only a small part of this large hydrothermal system. There is considerable room within it for grades to improve and further drilling is required to search for mineralisation of economic size and grade.

Evidence from known, large iron-oxide associated copper-gold deposits such as Ernest Henry, Prominent Hill, Eloise and Selwyn shows that the economic mineralisation is often not confined to the main ironstone body and can be along strike, or alongside. WPG plans to drill a pattern of vertical aircore/core holes into the bedrock to test for mineralisation in undrilled sections of both the ironstone body and the surrounding alteration envelope. This work will commence as soon as a suitable drill rig can be mobilised to site.

Mundi Plains, NSW – *EL 6404, PlatSearch 100%*

Negotiations regarding a joint venture to fund further drilling are in progress.

Redan, NSW – *EL 5795 and EL 6394, WPG 80% and Eaglehawk 20%, PlatSearch has a NSR royalty*

Assay results were received for rock chip samples collected during detailed geological reconnaissance in the northern half of EL 6394. Samples were mainly of gossanous material taken from some of the numerous small outcrops of quartz magnetite iron formation and cherty quartz veins that are exposed in a very poorly outcropping soil covered area. Only one moderately anomalous result of 727ppm copper was recorded.

ZINCSEARCH JOINT VENTURE – Razorback, Yanco Glen, Ziggys and Copper King, NSW – *ELA 2674 and ELs 5764, 6036 and 5919, PlatSearch 40%, CBH Resources 50%, Eaglehawk 10%*
Apollyon Valley, Big Aller and Mt Robe, NSW – *ELs 6475, 5646 and 6147, PlatSearch 50%, CBH Resources 50%*

The ZincSearch joint venture is undertaking an extensive soil geochemical sampling programme over the Razorback, Yanco Glen, Ziggys, Copper King, Apollyon Valley, Big Aller and Mt Robe tenements at Broken Hill, NSW. Large parts of these tenements have had no previous geochemical coverage. The sampling programme is utilising a new technology (NITON XRF portable analyser) that provides in-situ analysis of surface soil, for a wide range of elements, with results available

immediately. Coupled with GPS positioning, the NITON XRF analyser enables areas to be geochemically mapped rapidly and with an unprecedented level of detail. The technology is effective where there are large areas of shallow residual soils which is the case for much of the Broken Hill Block.

Approximately 17,500 sites have been sampled so far in the Copper King, Razorback, Yanco Glen and Mt Robe tenements. The most recent results are from the Mt Robe tenement located approximately 15 kilometres west of the Broken Hill Line of Lode. In the Mt Robe tenement the results define a zone over four kilometres in strike length where soils are strongly anomalous in zinc, lead and copper up to 28.4% zinc, 12.8% lead and 2,790ppm copper. There has been no previous drilling on this zone apart from shallow auger sampling.

Stephens-Centennial, NSW – *EL 6132, PlatSearch 48%, Triako 40%, Eaglehawk 12%; Teck can earn 75%. Endeavour Minerals has a NSR in 4 units of the EL area*

Joint venturer Teck Cominco has completed a 960 metre diamond core hole sited on a combined structure/gravity target at the Stephens Trig prospect. The hole targeted a hinge position considered to be a favourable structural setting for the occurrence of Broken Hill style mineralisation. No obvious mineralisation was encountered in the hole. Teck Cominco will now undertake electrical surveys (deep penetrating Induced Polarisation/Resistivity) in an attempt to highlight further drilling targets in the Stephens Trig area. The areas for detailed soil sampling using a NITON portable XRF analyser have been planned and this work will commence in the September quarter.

Callabonna and Quinyambie, SA – *EL 2886, PlatSearch 100%; Red Metal can earn 70% and EL 3197, PlatSearch 52.6%, a prospecting syndicate 47.4%; Red Metal can earn 70%*

The Callabonna and Quinyambie tenements are located in the north-western portion of the metal-rich Curnamona Province of South Australia and target Olympic Dam style copper, gold and uranium mineralisation in basement rocks and valley-fill calcrete style uranium mineralisation in the younger sedimentary cover sequences.

Joint venturer Red Metal completed a programme of shallow aircore drilling in both the Callabonna and Quinyambie tenements to evaluate potential for calcrete style uranium in the Quaternary channels. The Quaternary channels were shown to mostly contain thin deposits of sands and gravels but no significant accumulations of valley-fill calcrete favourable for uranium mineralisation.

In the Callabonna tenement Red Metal completed additional regional gravity surveying (171 stations) to close off anomalies defined in the 2004 surveys. Anomalies determined from the gravity modelling will be assessed for drilling later in 2006.

In the Quinyambie tenement Red Metal completed a precollar hole (QBE2) on the ***Dolores East*** prospect 220 metres northwest of earlier drill hole (QBE1) which intersected a volcanic hydrothermal breccia pipe containing broad intervals of low-grade copper mineralisation and hematite alteration. Encouraging basement rock from the bottom of QBE2 precollar comprised strongly weathered siderite-sericite altered breccia with traces of pyrite, chalcopyrite and hematite. The basement sample has been submitted for assay.

Diamond core drilling at QBE2 to continue the hole in basement rocks is pending availability of a suitable rig. Other anomalies determined from the gravity modelling will also be assessed for drilling.

Frome and Poverty Lake (Benagerie Joint Venture), SA – *ELs 3019 and 2948, PlatSearch 50%, AH Syndicate 50%; Newcrest can earn 70%*

Joint venturer Newcrest Mining completed five precollar holes to basement on four prospects defined by magnetic data and detailed gravity data. These targets are considered to have potential for Olympic Dam style copper-gold-uranium mineralisation. Depths to basement ranged from 102 to 155 metres. Acid

volcanic rocks were encountered by all holes with several short basement core runs showing weak fracture controlled sericite-carbonate-haematite-quartz-chlorite-pyrite alteration. The precollar holes have been cased off in preparation for core drilling in basement rocks which will commence as soon as a core drilling contractor can be engaged.

Kalabity, SA – *EL 3297, PlatSearch 80%, Eaglehawk 20%, WPG can earn 50%*

A small programme of RAB drilling was completed over the two most promising uranium anomalies defined from the initial regional calcrete sampling programme. Results show only minor spiky anomalous uranium values up to 89 ppm.

A total of 362 in-fill calcrete samples were collected in a follow-up programme to the previous extensive regional calcrete sampling programme completed by WPG. No significant new anomalies were defined by this sampling.

GAWLER CRATON, SA

Mirikata, SA – *EL 3537, PlatSearch 100%*

Negotiations regarding a joint venture to fund further drilling are advancing.

Coondambo, SA – *EL 2819, PlatSearch 50%, Marathon 50%*

Joint venturer Marathon Resources completed an inclined reverse circulation drillhole to a depth of 403.9 metres at the Scorpion North prospect. The hole targeted a conductor defined by electrical surveys. No mineralisation was encountered. Marathon is reviewing the results of this drillhole and its implications for its exploration strategy in the Coondambo region.

THOMSON FOLD BELT, NSW

Monolon, Yantabangee, Tongo, Klondyke, Mt Pleasant and Kango, NSW – *ELAs 2767, 2748, 2742, 2766, 2765 and 2759, PlatSearch 100%*

Following the release by the NSW Geological survey of new high quality aeromagnetic data over the Thomson Fold Belt, PlatSearch has moved quickly to secure large areas prospective for base metals and diamonds.

The Thomson Fold Belt is located in the northwest corner of NSW and is one of the last "frontiers" for exploration in NSW, being previously unexplored for minerals. Using the recent aeromagnetic data PlatSearch has identified a possible continuation of the Siluro-Devonian Cobar Basin rocks under shallow cover on the southern margin of the Thomson Fold Belt. To the east, the Cobar Basin rocks host the valuable Endeavour (previously Elura) zinc mine and copper-gold deposits near Cobar. Careful interpretation of the aeromagnetic data reveals a number of discrete magnetic signatures of the Endeavour type and these have been covered by five of the PlatSearch exploration licence applications embracing a total area of 910 square kilometres. In total, 17 base/precious metals targets that warrant ground follow-up and possibly drilling have been identified in these areas. A programme of ground magnetic surveys followed by drilling on selected targets is planned and will commence when the licences are granted.

A sixth application for Group 6 minerals (diamonds) covers some 26 discrete "bullseye" anomalies that may be due to diatremes. The anomalies occur along a major structural trend and this mode of occurrence is similar to diatreme "swarms" that exist in known producing diamond provinces.

LACHLAN FOLD BELT, NSW

Dunmore and Tomingley West, NSW – *ELs 6473 and 6474, PlatSearch 90%, RobertsConsulting 10%*

The Dunmore tenement is located approximately 16 kilometres north of Rio Tinto's Northparkes mines and 5 kilometres west of Alkane's Peak Hill mine. The Tomingley West tenement is located approximately 14 kilometres north west of Alkane's Wyoming gold deposit. Negotiations regarding a joint venture to fund ongoing work are advancing.

WESTERN PLAINS GOLD PROJECTS

PlatSearch holds an indirect interest in WPG's Trundle, Lake Cargelligo and Peak Hill East tenements in the Lachlan Fold Belt through its 25% shareholding in WPG.

Trundle, NSW – *EL 4512, WPG 100%, PlatSearch has a NSR royalty*

Targets for two inclined RC percussion holes have been defined from the results of RAB and aircore drilling at the ***Mordialloc Prospect.*** Systematic bedrock sampling during the previous two quarters has outlined significant copper and gold geochemical anomalies with overall dimensions of 1,400 metres north-south by 950 metres east-west and with maximum values of up to 2,260 ppm copper and 1.0 g/t gold. The planned drill holes will test beneath coincident gold-copper peaks within the broader anomalous zones. Drilling is expected to commence during the September quarter.

A new exploration licence ELA 2768 of 100 units was applied for in the Bogan Gate – Yarrabandai area and covers ground considered to be prospective for porphyry copper-gold and epithermal gold mineralisation.

Lake Cargelligo, NSW – *EL 6367, WPG 100%*

Results of the detailed geological mapping and geochemical soil sampling completed over the grid at the ***Achilles 3 Prospect*** during the March quarter were plotted and assessed. The soil sampling results have partially defined a significant lead anomaly that extends beyond the current grid. Additional grid lines will be pegged and soil sampled during the September quarter in order to close off the anomaly.

A programme of bedrock aircore sampling has been planned to test the six discrete magnetic anomalies over which ground magnetic surveys and geological reconnaissance was completed during the previous quarter. This programme will involve drilling 103 holes for an estimated 3,000 metres and is scheduled to commence late in the September quarter.

Previous company open file data relating to the area covered by EL 6530 Shepherds Hill was reviewed. Several areas have been selected for field investigation as part of a geological reconnaissance mapping and sampling programme that will commence early in the September quarter.

Peak Hill East, NSW – *EL 6342, WPG 100%*

A programme of bedrock aircore sampling has been planned to test targets defined from the WPG detailed aeromagnetic survey completed in 2005. Five anomalies have been selected for follow-up investigation. The programme will involve the drilling of 31 holes for an estimated 1,240 metres and is scheduled to commence late in the September quarter subject to gaining access to areas that may be planted with cereal crop.

A new exploration licence ELA 2749 of 11 units was applied for in the Peak Hill north area and covers ground considered to be prospective for close-by Wyoming-style porphyry gold deposits and epithermal gold mineralisation.

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 $57,000. Expenditure by joint venturers on the Company's projects was $1,051,000 for the quarter. The Company has no borrowings. Cash funds available at the end of the quarter were $211,000.

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 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 report.

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