



PLATSEARCH NL

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PLATSEARCH ENCOURAGED BY THE RECENT COPPER-GOLD INTERSECTION IN SOUTH AUSTRALIA BY RMG SERVICES

The recent copper-gold discovery by RMG Services Pty Ltd is positive news for companies such as PlatSearch that are exploring for similar targets. It once again confirms that an exploration strategy which targets discrete geophysical anomalies located in favourable geological environments and often concealed under extensive soil cover, can lead to discoveries of large deposits that fall within the broad category of iron-oxide associated copper-gold-uranium (IOCG) deposits. Significant Australian examples include Olympic Dam, Prominent Hill, Moonta-Wallaroo, Kalkaroo, Tennant Creek, Ernest Henry, Starra, Eloise and Osborne.

RMG Services Pty Ltd, a privately owned company, is reported to have intersected 67 metres of 3.03% copper and 0.4 g/t gold within a sequence of “variable intensity of haematite alteration, sulphide development and brecciation over the 185 metre basement interval from 469 metres to 654.2 metres” at its Carrapateena prospect, 100 kilometres south-east of Olympic Dam, in the Gawler Craton, SA. This result announced public by the South Australian Government on 27 July 2005. The RMG Services hole was 50% funded by the SA government through the Plan for Accelerated Exploration (PACE) programme.

In PlatSearch’s tenements there are at least 12 targets that meet most of the required criteria for the occurrence of IOCG style mineralisation. Drilling will be conducted on many of these targets during the next six months, funded by joint venture partners including Red Metal, Newcrest, Marathon Resources and Western Plains Gold, and in some cases by the South Australian government under the PACE programme.

In general terms, IOCG is a broad classification characterised by an association of copper and iron sulphides with iron oxides (both magnetite and haematite), strong hydrothermal alteration and brecciation. The geophysical anomalies associated with the mineralisation often occur within regional clusters of other significant geophysical anomalies. IOCG systems are commonly enriched in uranium and rare earth minerals. The larger deposits are usually associated with haematite dominant systems. Other important indications are an abundance of regional and local-scale fault structures, which are sometimes evident in geophysical data. Within the IOCG category there are “themes and variations” and no two deposits will be identical. For instance some deposits contain economic grades of uranium and some contain only minor uranium.

It is important to understand that although the geophysical anomalies associated with this style of deposit may look simple and uncomplicated, the mineralised systems are usually extremely complex and many drillholes may be required to make a “discovery”. Olympic Dam required 10 holes before a discovery could be confirmed.

The PlatSearch IOCG targets are summarised below.

Callabonna and Quinyambie Projects, Curnamona Craton, SA.

The main target within the Callabonna tenement (EL 2886) is a structure controlled, coincident gravity (6.5 milligals) and magnetic anomaly target referred to as *Big Bang Prospect*. Precollar rotary mud drilling through the overburden to depth of refusal at 262 metres was completed by joint venturer Red Metal during the June quarter. The hole is scheduled to be extended by core drilling to test the underlying prospective Middle Proterozoic rocks in August-September 2005.

The Quinyambie tenement (EL 3197) adjoins the Callabonna tenement. The main target within the Quinyambie tenement is a 19 milligal gravity anomaly coincident with flat-textured low magnetic zone referred to as the *Super Nova Prospect*. Precollar rotary mud drilling through the overburden to depth of refusal at 427.5 metres was completed during the June quarter. Both holes are approved for 50% funding by the South Australian Government under the PACE programme.

Prior to the Red Metal drilling there have been only two holes drilled to basement within the large area covered by the Callabonna and Quinyambie tenements in the northern part of the Curnamona Craton. Holes CAL-1 (PlatSearch/BHP) and CAL-2 (PlatSearch/Inco) targeted discrete magnetic anomalies (Anomalies 4 and 5) located approximately 30 kilometres south-east of Big Bang prospect. Both holes intersected large, hydrothermally altered and brecciated iron oxide systems with moderately anomalous base metals and were some of the first holes in this region to demonstrate the potential for IOCG deposits.

The Mt Gee/Paralana Ore System where Marathon Resources has reported (2 August 2005) an inferred resource totalling 33,200 tonnes of uranium, lies approximately 80 kilometres to the south-east.

Further south, closer to the centre of the Curnamona Craton, the Quinyambie tenement also contains the Dolores East prospect tested by one drill hole QBE-1 (PlatSearch/Inco) that intersected a haematitic volcanic breccia averaging 638ppm copper from 315 to 497 metres.

Frome and Poverty Lake Projects, Curnamona Craton, SA

These tenements are located close to the centre of the Curnamona Craton and contain at least five discrete magnetic anomalies that are potential IOCG style targets. Following the completion of a ground geophysical programme joint venturer Newcrest will commence drilling on selected targets. One hole is approved for 50% funding by the South Australian Government under the PACE programme.

Mulyungarie Project, Curnamona Craton, SA

This tenement contains the *KI Anomaly Prospect* which is the strongest discrete magnetic anomaly within a 30 kilometre radius. There is a semi-coincident gravity anomaly. The anomalies extend over a 600 metre strike length. There is one previous drillhole that penetrated 50 metres into a major zone of intense iron-oxide alteration with weak gold and copper mineralisation. This zone lies on stratigraphy that is known to be strongly copper and gold anomalous, where tested, some kilometres away. Joint venturer Western Plains Gold will test this anomaly with two inclined rotary/core holes during the September 2005 quarter, subject to the completion of its fund raising and ASX listing. Both holes are approved for 50% funding by the South Australian Government under the PACE programme.

Euriowie Project, Broken Hill, NSW

The *B40 Prospect* has a very strong, discrete magnetic anomaly caused by a large iron-oxide body, situated within a rock sequence that is known to be copper anomalous along strike (Fairy Hill and others). This is the strongest magnetic anomaly in the Euriowie Block. There is no existing gravity data. There is one previous drillhole that intersected a wide quartz-magnetite lode with anomalous base metals (up to 940ppm Cu, 1,340ppm Zn). The body has a strike extent of approximately 2 kilometres. There is no outcrop or other drilling. This is one of several prospects in the Euriowie tenement that is a potential drilling target for joint venturer Western Plains Gold.

Coondambo Project, Gawler Craton

The Coondambo tenement is located approximately 120 kilometres south-west of Olympic Dam and 160 kilometres due west from the RMG Services' Carrapateena prospect. The tenement contains the *Scorpion Bore Prospect* where a large gravity anomaly was the target for a 504 metre deep drillhole SB-1 (PlatSearch/Inco). The hole encountered an extremely high abundance of haematite between 349 and 402 metres, in Gawler Range Volcanics, together with enhanced levels of cerium and lanthanum (rare earths). Joint venturer Marathon Resources expects to commence drilling during the September 2005 quarter, subject to drill availability.

Mirikata Project, Gawler Craton, SA

This tenement is located only 25-30 kilometres west of the Prominent Hill (IOCG) deposit. It contains several discrete strong magnetic and gravity anomalies. Two basement holes MRK-1 and MRK-2 (PlatSearch/Inco) were drilled on magnetic anomaly targets. Both holes intersected essentially unmineralised banded ironstone formations (BIF), however MRK-2 intersected sporadic but significant gold and base metal anomalism in several intervals up to 1.6 g/t gold, 1,031ppm copper, 3,135ppm zinc and 1,954ppm lead in altered, veined and in some parts brecciated, metasediments within the hanging wall. There are untested gravity and magnetic anomalies in the area and PlatSearch is seeking a joint venture partner to fund further drilling.

Lilleyvale Project, Mt Isa-Cloncurry, QLD

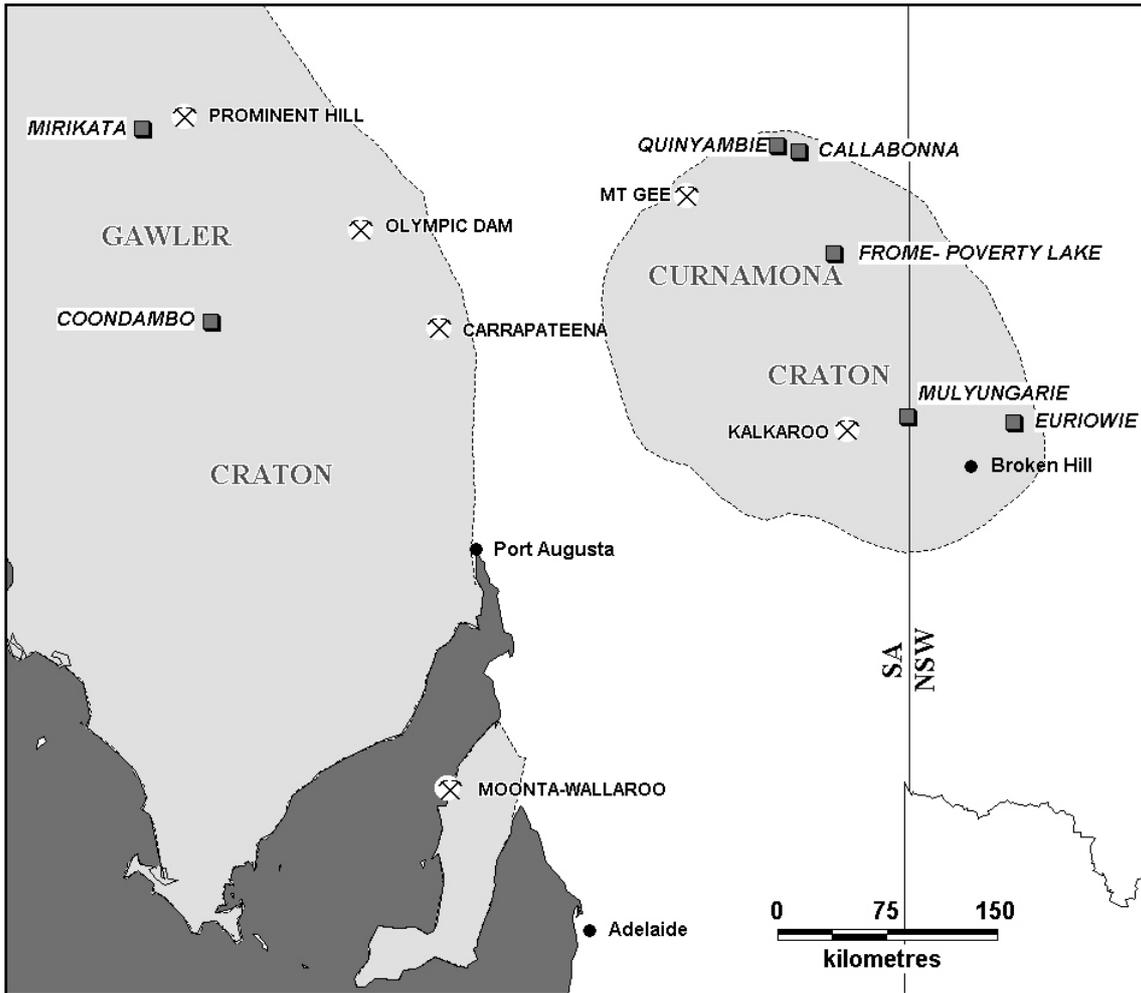
Located approximately 100 kilometres south-east of the Cannington and Osborne deposits in the Mt Isa Block, the Lilleyvale tenement contains two very large magnetic anomalies with semi-coincident gravity anomalies. Only one hole LIL-1 (PlatSearch/Inco) has been drilled on the southernmost magnetic anomaly. This hole discovered a large mineralised, brecciated IOCG system.

After entering Proterozoic basement at 572 metres, drillhole LIL-1 intersected a 200 metre interval of a large, altered iron-oxide system containing magnetite-pyrite mineralisation in a banded and brecciated quartz-feldspar-magnetite rock. Between 673 and 730 metres there is a wide interval of low-grade copper-gold mineralisation, grading 46 metres at 0.2% copper, 112ppb gold, including 11.1 metres at 0.49% copper and 318ppb gold. The considerable depth of cover is offset by the huge size of the system indicated by geophysical data, the existence of further good drilling targets and the potential for high-grade gold-copper and/or Broken Hill/Cannington style lead-zinc-silver.

The gravity anomalies remain to be tested. PlatSearch is seeking a joint venture partner to fund further drilling.

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



Plan shows location of PlatSearch IOCG projects in South Australia and New South Wales