



# PLATSEARCH NL

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## QUARTERLY REPORT FOR PERIOD ENDED 31 DECEMBER 2003

### HIGHLIGHTS

- An Option Joint Venture Agreement was signed with Peninsula Exploration Pty Ltd for the **Coondambo** tenement, in the Gawler Craton, SA. The area is considered to be prospective for Olympic Dam style mineralisation. Peninsula will commence a detailed gravity survey in February 2004.
- A drilling programme consisting of three widely spaced rotary/core holes totalling 1,663 metres was completed on the **Mundi Mundi**, NSW and **Mulyungarie**, SA tenements. All three holes intersected the highly sulphidic and zinc-rich Bimba Formation, which can be traced for over 20 kilometres in PlatSearch's tenements. Although mineralisation intersected was sub-oregrade, the results will provide valuable assistance in developing an understanding of mineralisation trends in this highly prospective rock package.
- Two shallow percussion holes were completed in the **Ziggys** tenement at Broken Hill, NSW. The holes intersected significant widths of weathered gossanous material with anomalous lead, zinc, copper and cobalt. Deeper drilling will be required to intersect fresh sulphides at depth.
- Negotiations regarding joint venture agreements for the **Callabonna** and **Quinyambie** tenements in the northern Curnamona Craton, SA are at an advanced stage.
- A detailed gravity survey is in progress over the **Trundle** tenement, in the Lachlan Fold Belt, NSW. It is hoped that the survey will assist in defining further drilling targets to test for porphyry gold systems of the Northparkes/Cadia/Ridgeway type.

## INCO OPTION JOINT VENTURE AGREEMENTS

Inco (Australia) Resources Pty Limited (Inco) advised on 22 January 2004 of its withdrawal from the Mundi Mundi, Mulyungarie, Redan (Ziggys) and Callabonna Option Joint Ventures. Inco's funding has enabled important work to be conducted on these areas that in all cases has added significant value and improved their prospectivity. PlatSearch will now be seeking new joint venture partners to fund the continued effort on these areas.

## CURNAMONA PROVINCE/BROKEN HILL, NSW AND SA

### Mundi Mundi, NSW and Mulyungarie, SA - ELs 4656, 4657 and 2776, PlatSearch 100%

A drilling programme consisting of three rotary/core holes totalling 1,663 metres was completed during the quarter. All three holes were designed to intersect the Bimba Formation that contains significant zinc mineralisation associated with massive pyrite where tested by previous drilling. The Bimba Formation can be mapped using aeromagnetic data and extends for at least 20 kilometres within PlatSearch's Mundi Mundi tenements and the adjoining Mulyungarie tenement.

Hole IN5 was sited on an electromagnetic anomaly located approximately three kilometres along strike to the north-west from hole IN4. Weathering appears to be deeper in this hole compared with other holes in the area and this could account for the electromagnetic anomaly. The deeper weathering could be due to more abundant pyrite in the sequence. Lead and zinc grades were relatively low in this hole compared with other holes.

Hole IN6 was sited in the Mulyungarie tenement on a fold structure located approximately four kilometres along strike to the north-west of Hole IN5. The hole intersected a thick, zinc-rich sequence providing further evidence of the strike extent of the prospective stratigraphic package in this area.

In the lower part of the hole beyond 355 metres the hole encountered abundant haematite alteration with brecciated carbonate veins and quartz veins within the magnetite-bearing Himalaya/Upper Albite formation. This degree of haematisation and veining has not been observed in previous holes, suggesting proximity to a major iron-rich hydrothermal system in this area.

Hole IN7 was completed during the quarter and final analyses received in January 2004. Geological logging of the core will be completed during February 2004. This hole was designed to test the Bimba Formation down-dip from and between previous intersections in holes IN3 and IN4. Hole IN7 intersected similar lead and zinc grades to those encountered by holes IN3 and IN4, typically wide intervals of low grade with occasional narrow intervals of higher grades.

The more significant intersections in Holes IN5, IN6 and IN7 are as follows:

HOLE	FROM (m)	TO (m)	INTERVAL (m)	SILVER g/t	LEAD %	ZINC %
IN5	255.8	287.2	31.4	-	0.03	0.26
	419.2	474.0	54.8	1.0	0.42	0.25
IN6	219.9	224.1	4.2	3.4	0.41	2.66
	330.2	356.0	25.8	2.2	0.05	0.26
IN7	317.5	317.9	0.4	2.0	-	9.49
	347.4	354.2	6.8	18.1	0.68	2.30
	502.1	545.9	43.8	2.5	0.07	0.53

The PlatSearch/Inco joint venture completed six deep drillholes within the Mundi Mundi and Mulyungarie areas. These holes, together with those completed previously by CRAE and

PlatSearch have confirmed the existence of a thick and highly metal anomalous sequence including the Broken Hill Group lower pelite sequence (which hosts the Broken Hill lead-zinc-silver deposits) and the stratigraphically lower Bimba and Upper Albite formations (which host lead-zinc and copper-gold mineralisation at many locations across the Curnamona Craton). Based on the drilling results and the available geophysical data, this rock package extends for a strike length of at least 20 kilometres within PlatSearch's tenements. While none of the intersections obtained can be regarded as ore-grade, the sulphide rich nature of the rocks intersected and the incidence of highly anomalous lead and zinc in most holes, suggests that this is a fertile environment for large lead-zinc deposits. The challenge now for PlatSearch is to find ways to focus in on those parts of the sequence that may contain higher grade mineralisation.

Holes IN5 and IN7 have been cased with plastic casing in preparation for down-hole EM logging to search for off-hole conductors.

The core from all holes will be carefully reviewed during the March quarter to try to identify geochemical and mineralogical trends or vectors that may provide guidance for further drilling towards mineralisation of higher grade.

**Mulyungarie, SA** - EL 2776, PlatSearch 80%, Eaglehawk 20%; Southern Cross Resources Australia earning right to mine uranium

Southern Cross Resources has advised that a logging system required for down-hole assay of planned drillholes on our area is nearing completion following some delays. Drilling is now expected to commence in April 2004.

**Ziggys, NSW** - EL 6036, PlatSearch 80%, Eaglehawk 20%

Two inclined percussion holes totalling 282 metres were completed in late December. The holes were designed to test two locations on a five kilometre long lead-zinc geochemical anomaly defined by earlier RAB drilling. The anomaly is coincident with a major north-south structure defined by aeromagnetic data. Both holes intersected wide zones of weathered gossanous material with anomalous lead, zinc and copper in parts. The more significant intersections are in RCZIG01, 33 metres at 997 ppm zinc and 260 ppm lead and 6 metres at 560 ppm copper and 298 ppm cobalt, and in RCZIG02, 7 metres at 1,750 ppm zinc and 509 ppm lead. These levels are consistent with values encountered in shallower RAB drilling. However weathering was deeper than expected and deeper drilling will be necessary to intersect fresh sulphides with possibly higher grades.

**Copper King, NSW** - EL 5919, PlatSearch 80%, Eaglehawk 20%; Sipa can earn 70%. GCap can earn 60% in part of the tenement

Joint venture partner Sipa Exploration completed four RC drillholes for 618 metres. Holes CKC1 (228 metres) and CKC2 (282 metres) tested the Mount Darling Creek Conductor, intersecting the target sulphidic lode positions QF1 and QF2. The upper QF1 lode in CKC1 returned 1 metre of massive pyrite at 66-67 m with 0.53% copper and 0.42% cobalt. The other lode intersections returned more weakly anomalous base metal tenors associated with disseminated pyrite.

Holes CKC3 and CKC4 (both 54 metres, 100 m apart) tested secondary copper mineralisation on the Charlies Schist Zone at the Copper King prospect, which crops out and has been worked by prospectors over widths of up to 40 metres. Intersections of secondary copper mineralisation averaged 0.19% at 0-20 metres in CKC3 and 0.17% at 0-24 metres in CKC4.

**Lindsays Creek, NSW** - EL 5704, PlatSearch 80%, Eaglehawk 20%

Gravity Capital Limited (GCap) completed an RC percussion hole to 198 metres at the Reservoir Anomaly. The Reservoir Anomaly is a gravity anomaly identified by the airborne Falcon™ gravity survey. The intersection of an amphibolite-dominated sequence adequately explained the gravity anomaly and there was no mineralisation encountered. GCap has withdrawn from the Lindsays Creek and Yanco Glen joint venture agreements.

**Stephens-Centennial, NSW** - EL 6132, PlatSearch 48%, Triako 40%, Eaglehawk 12%; Sipa can earn 70%. Endeavour Minerals has a 1.5% NSR in Southern Cross area only

Joint venturer Sipa will commence a 1,500 metres drilling programme during the March 2004 quarter.

**Quinyambie, SA** - EL 2579, PlatSearch 50%, Allender Group 50%

Negotiations regarding a joint venture to fund ongoing work are at an advanced stage.

**Callabonna, SA** - EL 2886, PlatSearch 100%; Inco can earn a 60% interest

Negotiations regarding a joint venture to fund ongoing work are at an advanced stage.

**LACHLAN FOLD BELT, NSW****Trundle, NSW** - EL 4152, PlatSearch 80%, Nosebi 20%

A detailed gravity survey is in progress over the entire Trundle tenement area. Preliminary inspection of results obtained so far shows indications of structures that may represent worthwhile drilling targets to search for porphyry gold systems of the Northparkes/Cadia/Ridgeway type.

**GAWLER CRATON, SA****Coondambo, SA** - EL 2819, PlatSearch 50%, Peninsula Exploration 50%

An Option Joint Venture Agreement was signed with Peninsula Exploration Pty Ltd (Peninsula) whereby Peninsula can increase its interest in the Coondambo tenement EL 2819 located approximately 125 kilometres south-west of Olympic Dam in the Gawler Craton, South Australia. The terms of this agreement were announced on 14 December 2003. During the six month option period of the agreement Peninsula will undertake a gravity survey covering the northern half of the tenement.

In July 2003 PlatSearch completed a 504 metre percussion hole to test a large Olympic Dam “look-alike” gravity anomaly. The hole encountered an extremely high abundance of haematite between 349 and 402 metres, in Gawler Range Volcanics (GRV), together with enhanced levels of cerium and lanthanum (rare earths). This drilling result was the first effective test of basement lithologies within this tenement and the wider region and indicates to PlatSearch that the haematitic GRV sequence in this area is prospective for iron-oxide associated copper-gold deposits analogous to Prominent Hill and Olympic Dam. Aeromagnetic data shows several strong magnetic anomalies that could be related to Olympic Dam style mineralisation in the northern part of the tenement. The gravity survey to be undertaken by Peninsula will provide a useful adjunct to existing aeromagnetic data with a view to defining further possible drilling targets. The survey is scheduled to commence during February 2004.

**Toolgerie, SA** - ELA 093/02, PlatSearch 80%, Bohoun Resources 20%

The Toolgerie licence was offered for grant during the quarter. PlatSearch is seeking a joint venture partner to fund exploration for sulphide nickel deposits on this tenement.

## **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 \$59,000. Expenditure by joint venturers on the Company's projects was \$377,000 for the quarter. Cash funds available at the end of the quarter were \$552,000, which includes the balance of funds received from Inco from cash calls under the Option Joint Venture Agreements to fund budgeted joint venture expenditure. The Company has no borrowings.

In January 2004 PlatSearch successfully concluded an issue under its Shareholder Share Purchase Scheme (SSPS). Applications for up to \$4,950 of ordinary shares at 11 cents were received from 199 shareholders and the amount raised was \$580,594. Of this amount \$451,950 was received prior to 31 December 2003. The 5,279,491 new ordinary shares were allotted on 19 January 2004. The funds will be used for ongoing project generation, project enhancement and corporate costs.

## **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.*