

**ASX Code: PTS**

Issued Shares: 175.3M

Unlisted Options: 23.9M

Cash Balance for PTS: \$12.4M

Cash Balance for Group: \$14.3M

ABN 16 003 254 395

**DIRECTORS**

Pat Elliott

Greg Jones

Kwan Chee Seng

Dr Kah Foo

Alan Breen

**TOP SHAREHOLDERS**

Kwan Chee Seng

Xiangjun Zhang

Minotaur Resources

Viking Investments

Top 20 Shareholders hold 71.9%

**Head Office**

Level 1, 80 Chandos Street

St Leonards NSW 2065

T: +61 (2) 9906 5220

F: +61 (2) 9906 5233

[www.platsearch.com.au](http://www.platsearch.com.au)**HIGHLIGHTS**

- PlatSearch completed an initial IP survey over its **Ghostrider** lead-zinc-silver prospect near Cobar NSW. Modelling is underway to assess results.
- **Silver City Minerals Limited** continued drilling at the Allendale project, recording further encouraging intersections including 4 metres of 2.8% lead, 3.9% zinc and 20 g/t silver from 61 metres and 5 metres of 3.5% lead, 5.8% zinc and 37 g/t silver from 85 metres.
- **Drilling by Silver City at its** Golden King prospect intersected good copper mineralisation including 22 metres at 0.61% copper from 85 metres, 12 metres at 1.34% copper from 32 metres including 4 metres at 3.37% copper from 33 metres and 3 metres at 1.24% copper from 42 metres.
- **Thomson Resources Ltd** continued drilling its key prospects within the Thomson Fold Belt. Two further core holes were completed, with drilling at the F3 prospect recording strong alteration and base metal sulphides confirming the presence of a discrete, mineralised, hydrothermal centre.
- **Eastern Iron Limited** completed additional metallurgical work at its Eulogie magnetite project which indicated first pass coarse cobbing could substantially reduce gangue material prior to finer grinding and production of a high grade iron/vanadium concentrate.
- At the high grade Nowa Nowa magnetite prospect, **Eastern Iron** announced that it has advanced initial metallurgical studies and the production of a resource estimate (due in February) for the Five Mile deposit.
- Following completion of its iron assets sale to Onesteel Limited, **WPG Resources Ltd** returned \$1.05 per WPG share to its shareholders. PlatSearch holds 10.4 million WPG shares and received \$10.9 million in early November.
- As a result of its successful investment strategy, the Company had \$12.4 million in cash at the end of 2011, the strongest **financial position** since PlatSearch listed onto the ASX 24 years ago.
- As at the end of the quarter, **cash plus liquid investments** in other listed resource companies totalled \$21.8 million.



## EXPLORATION

### CURNAMONA PROVINCE / BROKEN HILL, NSW AND SA

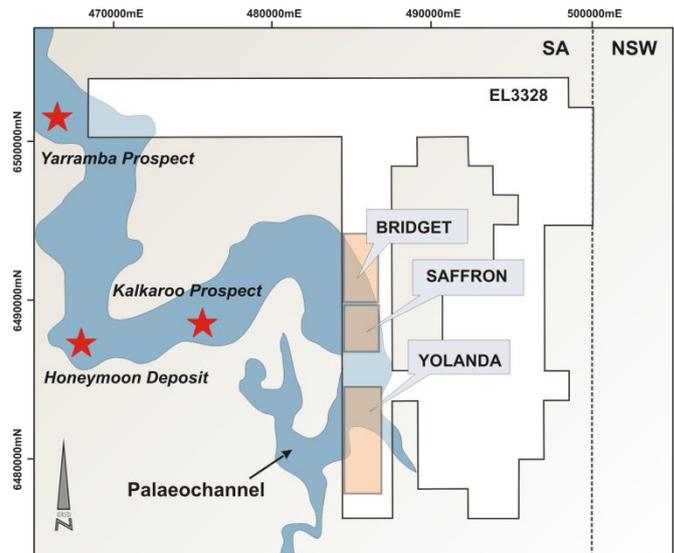
**MUNDI PLAINS, NSW - UXA JV - PlatSearch 49%, Teck 51%, UXA can earn 80%**

**JUNCTION DAM, SA- UXA JV - PlatSearch 39.2%, Eaglehawk 9.8%, Teck 51%, UXA can earn 80%.  
Uranium JV - PlatSearch 5.0%, Eaglehawk 1.2%, Teck 6.5%, Marmota 87.3%**

### JUNCTION DAM URANIUM JOINT VENTURE

As previously reported, good exploration results have been obtained by joint venturer Marmota Energy Limited in drilling over the Saffron uranium prospect, Junction Dam.

During the December quarter Marmota reported that it had calculated an Inferred Resource estimate of 4.36 million tonnes for the Saffron deposit for a contained 1,510 tonnes of U<sub>3</sub>O<sub>8</sub> (3.33 million pounds). The uranium mineralisation has been identified as coffinite, uraninite and uranium phosphates within sediments of the Eyre Formation. This is analogous to the nearby Honeymoon uranium mine and the Four Mile project, suggesting potential for in-situ leach extraction.



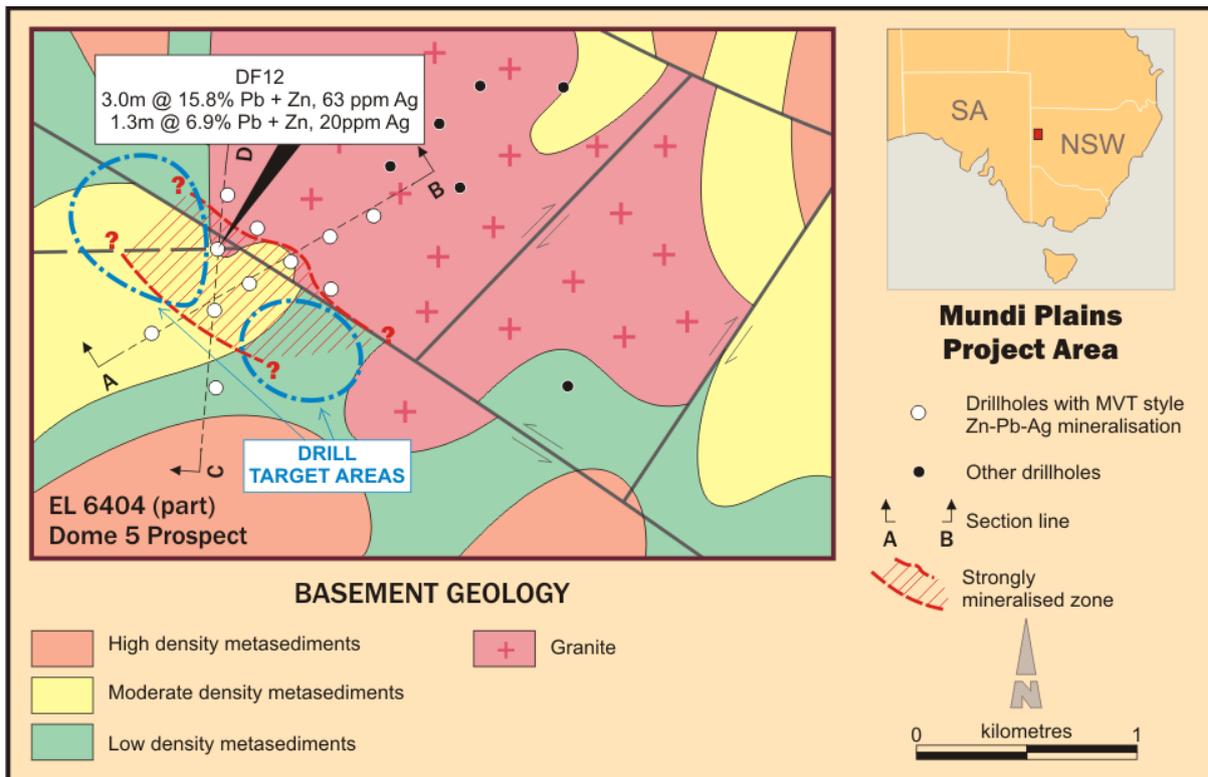
**Key Uranium prospects at Junction Dam**

Further drilling planned in 2012 will continue to test mineralisation at the Bridget and Yolanda prospects and attempt to expand the Inferred Resource at Saffron.

### UXA JOINT VENTURE

UXA Resources Ltd (UXA) is currently earning Teck's interest in the PTE joint venture covering both the Junction Dam and Mundi Plains tenements (but not including the Junction Dam uranium JV with Marmota). At Mundi Plains, drilling by Teck and UXA at the Dome 5 prospect has defined narrow, high grade intervals (such as hole DF12 - 3.0 metres of high grade sphalerite and galena mineralisation grading 15.8% lead + zinc and 63ppm silver) of Mississippi Valley Type (MVT) lead-zinc-silver mineralisation approximately 330 metres below the surface.

UXA has commenced an 8 hole programme of follow-up drilling to test the west and southeast extensions of a 500 metre wide zone of high grade mineralisation and to infill around previously recorded high grade intersections. Results are expected in March 2012.



**Dome 5 MVT zinc-lead-silver prospect with UXA drill hole locations (DF09-DF15)**

**HILLSTON PROJECT, NSW – PlatSearch 39.2%, Eaglehawk 9.8%, Perilya 50%, can earn 80%**

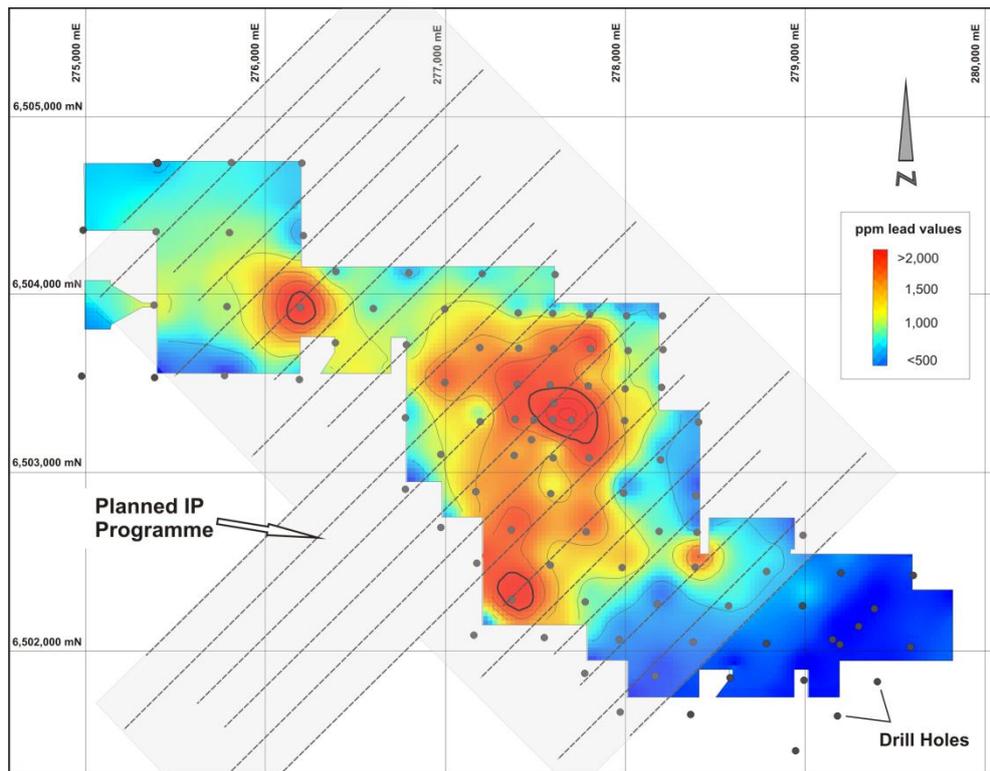
A significant regional airborne electromagnetic (AEM) survey was initiated late in the quarter. The survey will cover the majority of the Hillston tenement with results expected in late January 2012. Processing of the AEM data, anomaly selection, field checks and prioritisation of targets will then be undertaken prior to diamond drilling if warranted.

**LACHLAN FOLD BELT, NSW**

**GHOSTRIDER PROJECT, NSW – PlatSearch 100%**

Field work commenced at the Ghost rider Project MVT lead-zinc-silver project. Previous work by PlatSearch has identified strongly anomalous results in RAB drilling completed by BHP Limited in the 1980s, extending over a strike distance of 4 kilometres, with maximum values in the weathered zone of 1.15% lead, 0.22% zinc, 0.12% copper and 25ppm silver. Limited deeper RC drilling (70 – 100 metres) intersected lead sulphides in fresh rock (up to 0.48% lead). The lead anomaly is open to the northwest and east, and appears to be obscured by younger sediments to the west where work by PlatSearch indicates a clear target for primary mineralisation below cover.

A large Induced Polarisation (IP) survey was completed during the quarter to test the project area for deeper base metal sulphides below the oxide regolith and to the west. Modelling is currently underway to assess the results and to provide potential targets for follow up drilling.



*Ghostrider –IP traverses over contoured maximum lead values (ppm Pb)*

## INVESTMENTS

Platsearch maintains a strong and diversified portfolio of investments within a number of ASX-listed resource companies. These holdings are a direct result of PlatSearch vending tenements and projects generated by the Company into junior exploration companies in return for shares and / or options, and the continued participation by PlatSearch in later capital raisings by these companies.

Over the last few years this strategy has been very successful, resulting in strong returns for PlatSearch. This is exemplified by the sale of the Company’s Chesser Resources (ASX code: CHZ) holdings in late 2010 for approximately \$3 million, and the recent capital return and franked dividend by WPG Resources Ltd (ASX code: WPG) following its sale of its iron assets in the latter half of 2011, returning \$10.9 million to PlatSearch.

As a result of its highly successful investment strategy, PlatSearch had \$12.4 million in cash at the end of 2011, the strongest financial position since the Company listed onto the ASX 24 years ago.

During the quarter the company continued its investment strategy by converting its Agua Resources (ASX code: AGR) \$0.35 options (1.0 million, with the current share price at \$0.46/share) and taking up its option rights (4.78 million \$0.25 options with an issue price of \$0.01) in Silver City Minerals (ASX code: SCI).

As at 27 January 2012, the total value of the PlatSearch shareholdings in other ASX listed resource companies stood at approximately \$9.4 million.



## EASTERN IRON LIMITED

### Central Queensland Iron Deposits

Eastern Iron (ASX code: EFE) has secured the rights to Hawkwood, Eulogie and Auburn in central Queensland. The company is assessing the potential of its significant magnetite iron projects for the development of a large scale iron export operation in an area already well serviced by existing infrastructure including proximity to the nearby port of Gladstone.

During the quarter further metallurgical testwork was undertaken on samples from Eulogie which demonstrated that coarse cobbing of ground ore at 100% passing 500 micron could reject around 75% of the mass to a non-magnetic tailings fraction with no loss of iron recovery. Grinding of the magnetic fraction could then produce an acceptable product (containing 61.45% Fe and 1.02% V<sub>2</sub>O<sub>5</sub>) at a final grind of 100% passing 150 micron leaving open the potential to produce either a pellet or sinter feed product.

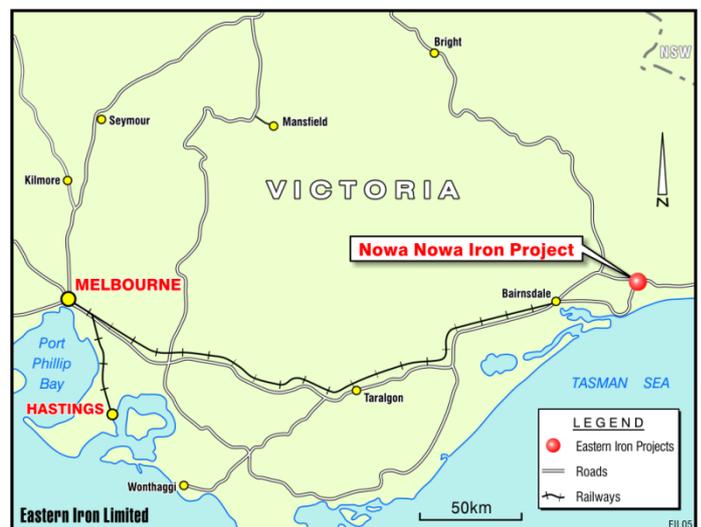
This process development is expected to deliver significant savings in capital and operating costs will be used in a project concept study which is currently being prepared and will be completed in the current quarter.

At the Hawkwood Project, assay and mass recovery data has now been received from drilling that systematically tested the northern section of the magnetic anomaly defining the extension of the Hawkwood intrusion during last quarter. A resource estimate is being prepared by Hellman and Schofield which is expected to be available in February, 2012.

### Nowa Nowa

In October 2011 Eastern Iron announced that it had secured option to purchase 100% of the Nowa Nowa Iron Project, Victoria from Waygara Mines Ltd. In December Eastern Iron gave notice to Waygara of its intention to exercise the option and, subject to Victorian Government approval, expects to complete the transfer of the interest shortly.

The Nowa Nowa project area is located north of the township of Nowa Nowa in eastern Victoria, which is 270km east of Melbourne. The area is well serviced by sealed roads, power and a local population in nearby townships.



*Nowa Nowa location*

Massive magnetite iron deposits at Nowa Nowa were drilled in 1955 by the Victorian Mines Department as a follow up to regional magnetic surveys. Most drilling was centred on the largest of the magnetic targets, the Five Mile Deposit, with 27 cored drill holes completed. Massive magnetite with lesser hematite occurs at 30-50m depth below tertiary sands and Devonian volcanic rocks.



These appear to have formed mantos 40-80m in thickness within altered sediments and are possibly skarns related to nearby, as yet unidentified intrusives.

Other nearby magnetic targets including the Seven Mile, Six Mile and Three Mile deposits have received some exploratory drilling but not to the same extent as the Five Mile deposit. Nevertheless these are also potential sources of additional resource and will be explored further.

Available data from the early Victorian Government drilling and some more recent drillholes is being compiled into a resource estimate in accordance with JORC guidelines. This estimate is being prepared by Hellman and Schofield and should be completed during the current quarter.

Drill core samples have been collected from a single drillhole from the Five Mile deposit. Samples are of massive unoxidised magnetite mineralisation and are being tested at AMMTEC laboratories in Perth to provide an initial guide to possible product specifications. The results of this preliminary investigation should be available in February 2012.

### **Central NSW Iron Project**

Joint venture partners 3E Steel Pty Ltd have completed drilling of additional palaeochannel areas within the joint venture tenements near Cobar in central western NSW. The objective of this drilling will be to substantially increase the current total resource. 3E have also approved a program of beneficiation testwork at a major Chinese University to be completed over the next six months.

PlatSearch shareholding in Eastern Iron is 31,500,000 ordinary shares (approximately 48.3% of EFE). As at 27 January 2012, EFE shares were trading at \$0.14.

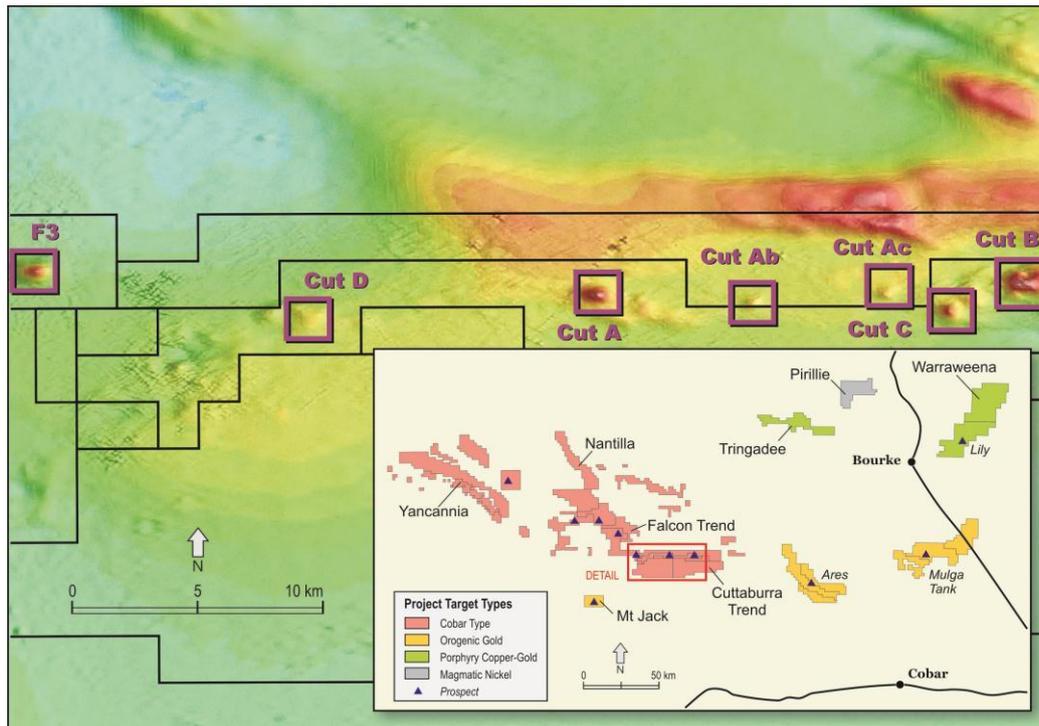
More details regarding Eastern Iron's activities can be obtained from its website.

### **THOMSON RESOURCES LTD**

Thomson Resources (ASX code: TMZ) continued drilling of its priority base and precious metal targets in the Thomson Fold Belt of north-western NSW. Thomson has now completed the first phase drilling of its bullseye magnetic targets within the Cuttaburra trend.

The drilling on four prospects (Cuttaburra A, Ac, B, and F3) has successfully proved the concept that each of these magnetic anomalies are associated with large mineralised hydrothermal systems consisting of extensive zones of highly altered (generally silicification plus carbonate and sericite alteration) and veined sediments possibly closely associated with felsic intrusive activity. In each of the prospects zones of pyrrhotite, pyrite, plus base metal sulphides (sphalerite and chalcopyrite: zinc and copper) have been intersected, with highly anomalous copper, zinc, gold, tin, and tungsten values recorded.

The current tranche of drilling has been completed with petrology, whole rock chemical analysis and other modelling work (down-hole 3-component magnetometer and EM) underway to assist in the next phase of exploration work.



**Location of anomalies in the Cuttaburra area. Prospects Cut A, B, Ac and F3 have been tested in the current drill program.**

PlatSearch holds 18,000,000 fully paid Thomson shares, or 25.7% of the company and 5,000,000 options exercisable at 30 cents. As at 27 January 2012, TMZ shares were trading at \$0.083.

For further details please refer to the TMZ website.

### SILVER CITY MINERALS LIMITED

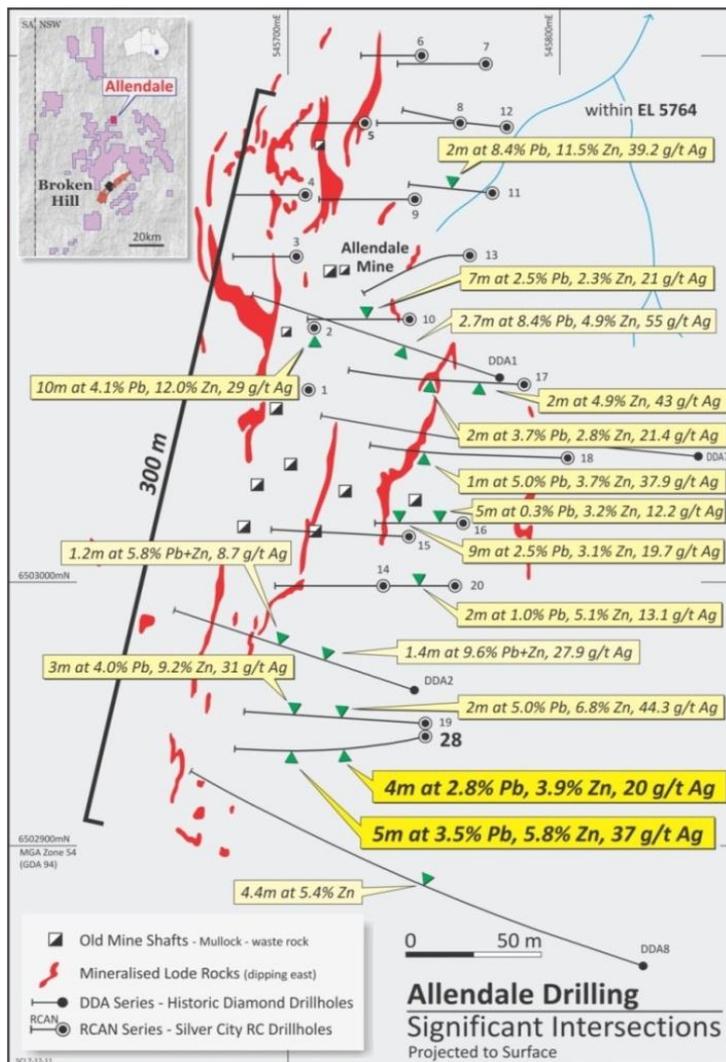
Since successfully raising funds and listing on the ASX in July 2011 Silver City Minerals (ASX Code: SCI) has drilled five of its six main projects and completed over 11,000 metres of drilling. It has encountered encouraging results in three projects with results for another pending.

During the quarter Silver City Minerals completed 2933 metres of drilling in 24 holes. Results include the following:

**Allendale** - 21 RC holes totalling 1,829 metres to test the down dip and strike extent of Broken Hill Type lead-zinc-silver mineralisation around the old mine workings. Results received to date have been very encouraging with a number of high grade intersections recorded including 10 metres @ 12.0% zinc and 4.1% lead and 3 metres @ 9.2% zinc and 4.0% lead.

The SCI drilling combined with historic diamond drill holes has shown that mineralisation extends for over 300 metres along strike and dips steeply to the east to depths of 200 metres. Mineralisation appears to be open down-dip and both north and south.

Geological interpretation of the mineralised horizons is ongoing. A second phase of drilling is planned with 14 new holes currently undergoing environmental permitting.



**Significant drill intersections at Allendale**

alteration zone containing 25% to 30% total sulphides from 76 to 96 metres. These holes indicate the presence of a steeply dipping zone of appreciable copper mineralisation approximately 10 and 20 metres in true thickness which extends over a strike length of at least 120 metres and is open in all directions.

SCI intends to investigate the potential for near surface copper resources amenable to open pit extraction.

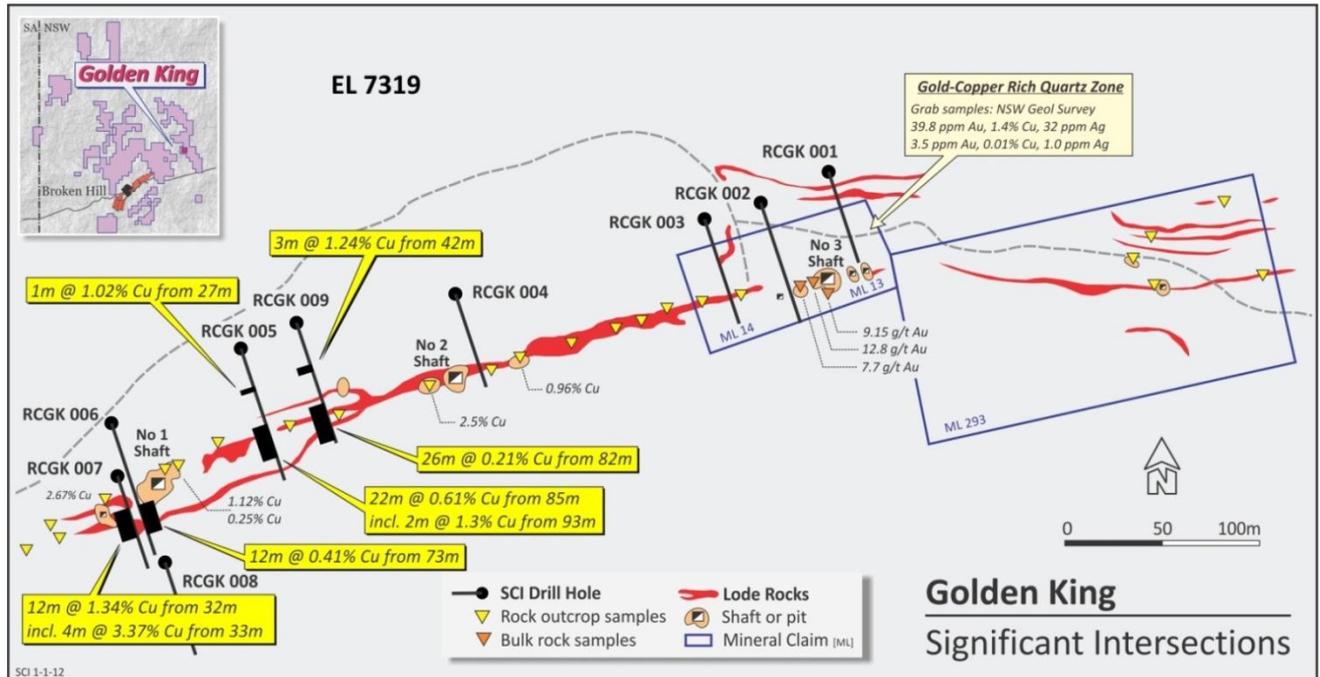
**Mount Brown** – Detailed geological mapping and rock chip sampling has identified five gossanous lode zones extending for approximately 1 kilometre along strike, up to 70 metres wide and with anomalous lead, copper and silver results.

**Stephens Trig** – a seven hole drilling program encountered significant thicknesses of ‘lode rock’ with potential to host silver-lead-zinc mineralisation with hole RCSCG012 having a 1 metre intersection of 7.4% zinc, 5.4% lead and 72 g/t silver.

**Golden King** – Golden King is a historic gold and copper mine approximately 32 kilometres northeast of Broken Hill. Mapping, sampling and drilling show that there are multiple copper and gold anomalous lodes hosted in a chlorite-altered corridor 20 to 50m wide and 800m long. Recent drilling has recorded a number of copper rich intercepts in the western part of the structure including:

- 22 metres at 0.61% copper from 85 metres, including 2 metres at 1.30% copper from 93 metres in hole RCGK005.
- 12 metres at 1.34% copper from 32 metres including 4 metres at 3.37% copper from 33m in hole RCGK007.
- 3 metres at 1.24% copper from 42 metres in hole RCGK009 (see diagram below for hole locations).

Four holes in this western area intersected variable thicknesses of pyrrhotite and chalcopyrite within a highly siliceous alteration zone. Hole RCGK005 which passed through the structure about 30 metres west of the No.1 Shaft (see Figure) intersected an



**Golden King Prospect - Silver City drilling and significant intersections**

PlatSearch’s shareholding in Silver City is 14.3 million fully paid shares, or 14.6% of the company and 4.78 million options exercisable at \$0.25 each. As at 27 January 2012, SCI shares were trading at \$0.135.

For further details refer to the SCI website.

**WPG RESOURCES LTD**

Following the successful completion of the sale of its iron assets in South Australia to Onesteel Limited and the return of \$1.05 per WPG share to its shareholders in November 2011, WPG retained approximately \$87 million (from which it will pay approximately \$71 million in tax in April 2012). The company retains a 100% shareholding in Southern Coal Holdings Pty Ltd which owns the significant Penrhyn and Lochiel North coal projects in South Australia and its land asset and capacity to develop a bulk export facility at Port Pirie.

In January 2012, Evergreen Energy, its proposed joint venture party to commercialise SCH’s coal interests, applied for chapter 7 bankruptcy, with Evergreen and its assets to be liquidated. WPG has incorporated a new US subsidiary, New World Coal Management Inc., and that company has employed a small number of Evergreen’s former key technical and management personnel. WPG is reviewing its options for participating in the bankruptcy sale process, either alone or in joint venture with others.

WPG also announced that it has re-entered the iron ore business in South Australia with the signing of binding Heads of Agreement with Brisbane based Maosen Australia Pty Ltd at Giffen Well. Giffen Well contains Proterozoic BIF hosted magnetite mineralisation similar to that found at the Hawks Nest deposit and has the potential for high grade DSO deposits formed at the contact between the



BIF mineralisation and Hiltaba suite intrusives. The company intends completing a substantial program of systematic resource development drilling that will provide the basis for a preliminary feasibility study. If this is positive, a joint venture will be formed with Maosen to develop the project.

WPG will also commence exploration for potash in south western South Australia, some 250 kilometres north west of Ceduna. Potash deposits have been known to occur in the Lake Ifould – Lake Pidinga area since at least 1948. The South Australian Mines Department has drilled a number of shallow holes in an area known as Lake C and outlined a body of alunitic clay at least 700 metres long by 150 metres wide, averaging 7.24% potash. The mineralised zone is about 3 metres thick, lies within a few metres of the surface and is open to the south and east. Shallow air-core drilling is planned to test the deposit and possibly define a resource.

PlatSearch holds 10.4 million fully paid WPG shares, or 4.2% of the company. As at 27 January 2012, the WPG trading price was \$0.095.

For further details refer to the WPG website.

### **AGUIA RESOURCES LIMITED**

Agua Resources is an exploration company that has acquired interests in substantial phosphate and potash projects in Brazil. Agua holds interests in three highly prospective and potentially large scale phosphate projects, the Lucena and Mata da Corda Phosphate Projects and the Tres Estradas carbonatite-style phosphate project in Rio Grande do Sul, southern Brazil.

Agua holds the highly prospective and potentially large scale Atlantic Potash Project in north-eastern Brazil. The company commenced drilling the potash project and has reported that the first hole in the programme did not intersect significant potash mineralisation. Drilling is ongoing.

Agua has also reported that it has signed a Letter of Intent with Lara Exploration Ltd over Lara's potash projects located adjacent and adjoining to Agua's Atlantic Potash Project, significantly expanding its interests in the region.

PlatSearch currently holds 1,185,000 fully paid shares, having exercised 1 million options at \$0.35 during the quarter, as well as 200,000 options exercisable at \$0.50. As at 27 January 2012 Agua shares were trading at \$0.46.

For further details refer to the AGR website.

### **BUSINESS DEVELOPMENT**

PlatSearch has identified a range of advanced and brownfield opportunities within Europe and Africa. Through its wholly owned European subsidiary, Variscan Mines SAS, it is progressing further evaluation and acquisition work in these regions as part of its strategy to advance the Company towards production and cash flow.

In addition, the Company has recently commenced evaluation of advanced projects within South America.



## CORPORATE AND FINANCIAL

### FINANCIAL

Following the capital return and franked dividend from WPG Resources sale of its South Australian iron assets, PlatSearch received a pre-tax consideration of \$10.9 million during November 2011.

Cash expenditure by the PlatSearch on exploration and project appraisal for the quarter was \$339,000. Expenditure by joint venturers on PlatSearch projects was \$694,000 for the quarter. Cash funds available for PlatSearch and for the Group at 31 December 2011 were \$12.4 million and \$14.3 million respectively. Eastern Iron is now consolidated with PlatSearch NL and its wholly owned subsidiary Bluestone 23 Limited (The Group). The Company has no borrowings.

#### PlatSearch NL

**Greg Jones**  
Managing Director

*The information in this report that relates to Exploration Results is based on information compiled by Greg Jones, BSc (Hons), who is a member of the Australasian Institute of Mining and Metallurgy. Mr Jones is a Director of PlatSearch NL and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".*

*Mr Jones consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*