



# PLATSEARCH NL

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29 July 2005

## QUARTERLY REPORT FOR PERIOD ENDED 30 JUNE 2005

### HIGHLIGHTS

- PlatSearch is looking forward to a substantial amount of drilling on its project areas for a range of commodities including copper, uranium, gold, lead, zinc and silver during the next six months. Drilling, funded by existing joint ventures and new joint ventures currently being documented, is expected to take place on the **Callabonna, Quinyambie, Frome, Poverty Lake, Coondambo, Stephens-Centennial, Hillston, Mulyungarie** and **Euriowie** tenements. In addition, subject to its fund raising scheduled to close on 10 August and subsequent listing on the Australian Stock Exchange, Western Plains Gold Ltd, in which PlatSearch will hold a 29% interest, will undertake substantial drilling on its **Trundle, Redan** and **Cargelligo** tenements.
- Joint venturer Red Metal completed a pre-collar drillhole on each of the “Big Bang” and “Super Nova” prospects in PlatSearch’s **Callabonna** and **Quinyambie** tenements in SA during the quarter. Core drilling to extend the holes to test for Olympic Dam style copper-uranium-gold mineralisation in Proterozoic basement rocks is scheduled to commence in August-September 2005.
- In the **Kalabity** tenement, SA, PlatSearch has completed a programme of calcrete sampling across the KR4 prospect. The calcrete analyses show anomalous uranium up to 500ppm over a zone of davidite veining, suggesting that this technique will be a useful tool to search for uranium in the wider tenement area.
- Joint venturer Newcrest is planning a drilling programme to test selected targets for Olympic Dam style copper-uranium-gold mineralisation in the **Frome** and **Poverty Lake** tenements in South Australia. This drilling will commence as soon as a drilling contractor can be engaged.
- In the **Stephens-Centennial** area Broken Hill, joint venturer Sipa has advised that an agreement with a major company regarding that company’s introduction into the Stephens-Centennial joint venture is being documented. The major company will undertake a deep drill test of a strong gravity anomaly. Drilling is expected to commence during the September quarter.
- Marathon Resources has advised that it is preparing a drilling programme to test for Olympic Dam style copper-uranium-gold mineralisation on the **Coondambo** project in the Gawler Craton, SA. This drilling is expected to commence in the September quarter.

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

**Lindsays Creek, Yanco Glen, Ziggys, Copper King and Apollyon Valley, NSW** - ELs 5704, 5764, 6036, 5919 PlatSearch 80%, Eaglehawk 20% and ELA 2544 PlatSearch 100%

A new joint venture agreement that will fund an extensive exploration programme searching for Broken Hill style lead-zinc-silver deposits on these PlatSearch licences on the Broken Hill Block is being documented. The planned programme will employ a new geochemical approach utilising the NITON portable XRF technology. Coupled with GPS positioning, the NITON system enables areas to be geochemically mapped with an unprecedented level of detail, typically at 10-20 metre spacing on lines 50-100 metres apart. Many areas in the Broken Hill field, including substantial parts of these PlatSearch licences have ideal conditions for the application of this technology and PlatSearch is confident that the work will result in the rapid definition of a large number of worthwhile drilling targets.

The Apollyon Valley tenement is a new application covering an area of 150 square kilometres located 20 to 40 kilometres north of Broken Hill. Willyama Group rocks prospective for Broken Hill style lead-zinc-silver deposits occupy the entire tenement area. Despite the occurrence of a large number of minor lead-zinc-silver workings in areas of outcrop, there has been negligible RAB or percussion drilling in the area, and PlatSearch considers the area to be only lightly explored.

Sipa Exploration withdrew from the Copper King joint venture during the quarter. PlatSearch expects that NITON surveys will commence on these tenements during the September quarter.

**Stephens-Centennial, NSW** - EL 6132, PlatSearch 48%, Triako 40%, Eaglehawk 12%; Sipa can earn 70%. Endeavour Minerals has a 1.5% NSR in 4 units of the EL area only

In the Stephens-Centennial area, Broken Hill, joint venturer Sipa Exploration has advised that an agreement with a major company regarding that company's introduction into the Stephens-Centennial joint venture is being documented. The major company will undertake a deep drill test of a strong gravity anomaly. Drilling is expected to commence during the September quarter.

**Callabonna and Quinyambie, SA** - EL 2886, PlatSearch 100%; Red Metal can earn 70% and EL 3197, PlatSearch 50%, a prospecting syndicate 50%, Red Metal can earn 70%

The main target within the Callabonna tenement (EL 2886) is a structure controlled, coincident gravity (6.5 milligal) 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 quarter. The hole terminated in limestone thought to be Cambrian in age.

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 (Pudding Dam) prospect. A detailed gravity survey with 705 stations was completed by Red Metal over the Super Nova prospect. Precollar rotary mud drilling through the overburden to depth of refusal at 427.5 metres was completed during the quarter. The hole terminated in scapolitic carbonate rock typical of Adelaidean (Arkaroola Group) rocks, which sit unconformably above the prospective Middle Proterozoic rocks.

Both holes will be extended by core drilling to test the underlying prospective Middle Proterozoic rocks. This drilling is expected to take place in August-September when a suitable drill rig becomes available.

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 located 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 iron oxide associated copper-gold (IOCG) deposits.

In general terms, IOCG deposits are characterised by an association of copper and iron sulphides with iron oxides (both magnetite and hematite, but dominantly hematite), strong hydrothermal alteration and regional clusters of significant geophysical anomalies. There are at least 13 other discrete magnetic anomaly targets within the tenements including Big Bang prospect. At Big Bang prospect, the strong

gravity anomaly, coinciding with the magnetic anomaly, is a highly favourable indication for the occurrence of a hematite dominant, magnetite-hematite system. At Super Nova prospect the broad gravity anomaly, coinciding with a magnetically low zone is indicative of a hematite-bearing and/or calcsilicate-bearing system. Drill hole SPH-1 located in the adjacent tenement approximately three kilometres west of the Super Nova gravity anomaly intersected strong calcsilicate alteration associated with elevated zinc, apatite and fluorine. The high gravity responses and the geophysical expressions and dimensions of the anomalies at both Big Bang and Super Nova prospects are comparable with that observed over the Olympic Dam copper-uranium-gold deposit.

**Frome and Poverty Lake, SA** - ELs 3019 and 2948, PlatSearch 50%, AH Syndicate 50%; Newcrest earning 70%

A new gravity survey covering the Frome and Poverty Lake tenements has been completed by the SA Government. The results will assist the geological interpretation of the area and in prioritising drilling targets. Joint venturer Newcrest Operations Limited will commence shortly a more detailed gravity survey to provide better definition in areas of interest followed by a drilling programme to test selected anomaly targets.

**Kalabity, SA** - EL 3297, PlatSearch 80%, Eaglehawk 20%

A trial calcrete survey consisting of calcrete samples obtained by shallow auger drilling on three traverses 200 metres apart has been completed on the KR4 prospect. The results show a clear uranium response over the KR4 davidite mineralisation with analyses up to 500ppm uranium. The results suggest that calcrete sampling may be an effective exploration tool to search for uranium mineralisation beneath shallow soil cover in this environment. Sampling of davidite float at KR4 prospect has returned analyses up to 3.46% uranium and highly anomalous rare earths.

Previous surface rock-chip and LAG soil sampling shows widespread uranium and rare earth anomalism across the tenement. Uraniferous granites are known to be present in the tenement area which is largely soil covered. This soil cover would prevent radiometric surveys detecting uranium in basement rocks.

Discussions are in progress with other parties regarding a joint venture to fund ongoing exploration of this tenement.

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

Discussions are continuing with potential joint venturers regarding the funding of further work to search for lead-zinc mineralisation on the Mundi Plains tenement.

**Cymbric Vale, NSW** - EL 6403, PlatSearch 50%, Paradigm Mexico 50%

PlatSearch will commence shortly a ground magnetic survey over a large aeromagnetic anomaly. The anomaly is thought to be caused by an ultramafic intrusive of the type that could host sulphide nickel deposits. Subject to the results of the magnetic survey PlatSearch will then undertake a shallow RAB drilling programme to determine the cause of the anomaly. The Cymbric Vale tenement is situated north-east of Broken Hill on the Koonenberry Belt, the subject of intense tenement activity by several nickel exploration companies.

**Hillston, NSW** - EL 6363, PlatSearch 80%, Eaglehawk 20%; Perilya can earn 80%

Joint venturer Perilya has advised that a programme of further NITON soil sampling followed by RAB drilling on selected anomalies, including an aeromagnetic target defined by PlatSearch, will be completed within the next 12 months.

## GAWLER CRATON, SA

**Coondambo, SA** - EL 2819, PlatSearch 50%, Marathon 50% and earning 80%

Joint venturer Marathon Resources is planning further work including at least one basement drillhole to test a target considered to be prospective for Olympic Dam style copper-uranium-gold mineralisation. Geochemistry has been trialled over the proposed drill sites with a view to improving targeting and to develop the research database. Drilling is expected to commence during the September quarter, subject to drill rig availability.

**Wynbring, SA** - EL 3234, PlatSearch 100%, Inco earning 60%

The ground geophysical programme planned by Inco Resources will be conducted in July-August 2005 due to delays in obtaining necessary governmental approvals to commence work. The Wynbring tenement covers an area of approximately 2,000 square kilometres on the western margin of the Gawler Craton and is considered prospective for nickel sulphide deposits. Inco can earn a 60% interest in the tenement by spending \$2,000,000 before August 2008.

**Toolgerie, Yalata and Black Hill, SA** - ELs 3216, 3280 and 3281, PlatSearch 80%, Bohoun Resources 20%

PlatSearch's tenements in the western Gawler Craton have potential for mineral sands as well as sulphide nickel mineralisation. An agreement regarding a joint venture to explore for mineral sands within the Toolgerie, Yalata and Black Hills tenements is being documented.

## WESTERN PLAINS GOLD LTD

Following its raising of \$2.3 million and listing on the Australian Stock Exchange, Western Plains Gold Ltd (WPG) will commence an intensive drilling programme on a series of defined drilling targets in six project areas including two PlatSearch joint venture tenements Mulyungarie and Euriowie, and WPG tenements Redan, Trundle, Cargelligo and Peak Hill East. PlatSearch is expected to own 29% of WPG shares following the closure of the share issue.

WPG lodged a Supplementary Prospectus dated 3 June 2005 to provide details of events that have occurred subsequent to the release of the Prospectus. These events include:

- a) Extension of the closing date of the offer to 10 August 2005.
- b) Recent exploration results for the Fairy Hill prospect (Euriowie project) and Mordialloc prospect (Trundle project).
- c) The share offer will be closed when the minimum subscription of \$2.3 million is achieved.

Full details of the Supplementary Prospectus can be obtained on the Western Plains Gold website [www.westernplainsgold.com.au](http://www.westernplainsgold.com.au).

WPG has completed a programme of detailed mapping and rock chip sampling at the **Fairy Hill prospect** in EL 5771 at Broken Hill, subsequent to the release of its original Prospectus dated 3 March 2005. Fourteen of the seventeen samples collected are highly anomalous in copper with values up to 18.5%. Gold is also consistently anomalous with several values in excess of 100ppb with a maximum value 1.86 g/t. Detailed mapping has defined a 220 metre long by 75 metre wide north-westerly trending zone of altered and mineralised gneissic rocks that contain prominent copper oxides. The mineralised rocks have been exposed in a number of small old workings and the zone is open to the north-west where outcrop disappears beneath shallow soil cover. Extensive soil cover is also present to the south and east, with a significant part of the mineralised zone is covered by dumps where material from the old workings has been sorted.

This prospect has never been drilled. WPG considers this prospect has excellent potential for both a near-surface oxide and deeper primary copper-gold deposit. WPG will drill test this promising target shortly after its share offer closes.

WPG has recently completed an in-depth review of previous mapping and shallow drilling data at the **Mordialloc prospect** situated in the northern part of EL 4512 at Trundle in the Lachlan Fold Belt.

Results of this work have defined monzonite and quartz-monzonite porphyries that are interpreted as late stage intrusive phases and are thus potentially significant for porphyry style copper-gold mineralisation.

These rocks are identical to the mineralising porphyries at Northparkes and are favourably situated at the outer edges of a larger more mafic intrusion. This interpretation is supported by strongly anomalous bedrock copper values together with coincident gold geochemistry. The anomalies for both elements are open to the west and north. Two inclined percussion holes drilled by a previous explorer in the vicinity of the anomalous zone intersected broad zones of low level copper mineralisation. The mineralisation in these holes is associated with intrusive units and sporadic pink potassic alteration. WPG considers both features as highly encouraging. Following the closure of the Offer, WPG will carry out a programme of grid based RAB drilling to properly define the limits of the copper-gold geochemical anomaly. This work will be followed by deeper percussion and diamond drilling.

### **OTHER PROJECTS**

The Bundera EL 3083 tenement has been relinquished. 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 \$87,000. Expenditure by joint venturers on the Company's projects was \$331,000 for the quarter. The Company has no borrowings. Cash funds available at the end of the quarter were \$136,000.

### **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 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.*