

**ASX Code: PTS**

Issued Shares: 175.3M  
Unlisted Options: 12.9M  
Cash Balance for PTS: \$2.7M  
Cash Balance for Group: \$5.5M  
ABN 16 003 254 395

**DIRECTORS**

Pat Elliott  
Greg Jones  
Kwan Chee Seng  
Dr Kah Foo  
Alan Breen

**TOP SHAREHOLDERS**

Kwan Chee Seng  
Minotaur Resources  
Xiangjun Zhang  
Viking Investments

Top 20 Shareholders hold 62.9%

**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 through its wholly owned subsidiary Variscan Mines SAS signed an MOU with the French multinational resource company **ERAMET** to assist in the possible development of any specialty metal projects that the Company acquires.
- **Silver City Minerals Limited** commenced drilling at the Allendale project, recording encouraging intersections including 10 metres @ 12.0% zinc and 4.1% lead and 3 metres @ 9.2% zinc and 4.0% lead.
- **Thomson Resources Ltd** continued drilling its key prospects within the Thomson Fold Belt. Two further deep holes were completed, both intersecting strong alteration and base metal sulphides indicating the presence of discrete, mineralised, hydrothermal centres.
- **Eastern Iron Limited** completed a resource estimate at the Eulogie iron project, generating an initial Resource of 465 million tonnes at 14.2% iron.
- **Eastern Iron** announced that it has secured an option to earn 100% of the Nowa Nowa iron project in eastern Victoria as a potential low capital, high grade operation.
- **WPG Resources Ltd** announced that it sold its iron assets to Onesteel Limited and would return \$1.05 per WPG share to its shareholders. PTS owns 10.4 million WPG shares and will receive \$10.9 million in early November.
- As a result of its successful investment strategy, the Company expects to have approximately \$13.5 million in cash by early November 2011, by far the strongest **financial position** since PlatSearch listed onto the ASX 24 years ago.
- As at the end of the quarter, total **cash and liquid investments** in other listed resource companies was \$24.5 million.
- PlatSearch appointed **Mr Alan Breen**, a highly experienced metallurgist and mine manager to its Board as a non-executive director.



## EXPLORATION

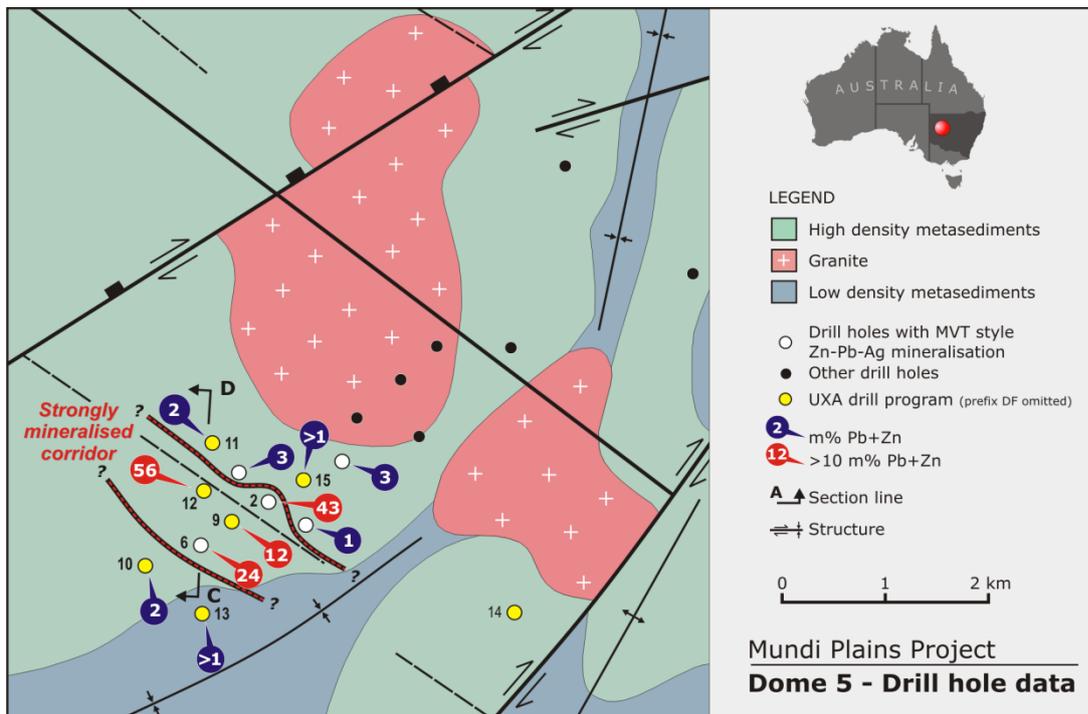
### CURNAMONA PROVINCE / BROKEN HILL, NSW AND SA

**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%.**

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, previous drilling by Teck at the Dome 5 prospect defined narrow, high grade intervals of Mississippi Valley Type (MVT) lead-zinc-silver mineralisation approximately 330 metres below the surface.

Recent drilling by UXA has defined a 500 metre wide zone of high grade mineralisation which is open to both the west and southeast. The zone is defined by four drill holes, DF02, DF06, DF09 and DF12, where the combined m% lead+zinc (metres of mineralisation multiplied by % grade of lead + zinc) is greater than 10m%. The best intersection was recorded in hole DF12 which intersected 3.0 metre of high grade sphalerite and galena mineralisation grading 15.8% lead + zinc and 63ppm Ag from 315.0 metres. A second zone of mineralisation, 5 metres below the high grade zone, returned 1.29 metres grading 6.88% lead + zinc and 20 ppm silver.



**Dome 5 – mineralised corridor and recent drilling (figure from UXA)**

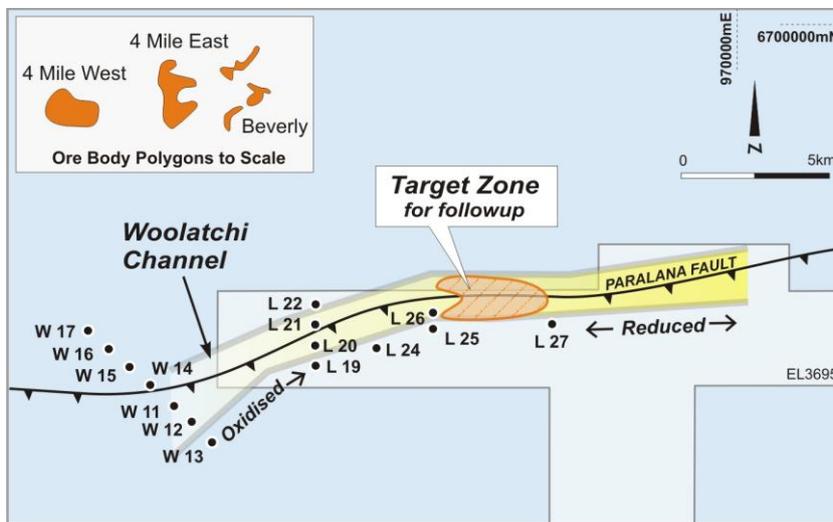
UXA is planning to follow up these intersections with a 2,800 metre, 8 hole mud rotary and diamond drill program, forecast to commence begin before the end of the December quarter.



**CALLABONNA AND QUINYAMBIE, SA – EL 3695, PlatSearch 100%, Red Metal can earn 70%, EL 3197, PlatSearch 52.6%, a prospecting syndicate 47.4%, Red Metal can earn 70%**

Within the Callabonna and Quinyambie projects, Red Metal Limited is targeting roll-front type uranium deposits hosted in Tertiary sedimentary sequences within the fertile Frome Sub-Basin containing the Beverley uranium mining operations and the Four Mile deposits.

Last year Red Metal completed ten rotary mud holes up to 248 metres in depth to test a range of new uranium drill targets generated by a high resolution airborne electro-magnetic data (REPTeM) survey which outlined a number of distinctive and previously unrecognised faults, including the Paralana Fault, interpreted to play an important role in the localisation of both the prospective Tertiary sand sequences and uranium mineralisation elsewhere in the district.



**Woolatchi Channel target at Callabonna**

The drilling identified a previously unrecognised palaeochannel sand unit deposited along the Paralana Fault in EL 3695. The sand unit, referred to as the Woolatchi channel, is confined within the Namba Formation shales and has a similar geological setting to the channel sand units hosting the Beverley and Four Mile uranium deposits. The Woolatchi channel sands are encouraging because they are highly oxidised suggesting potential uranium-bearing fluids may have moved through the channel. A small gamma response (up to 3 times background) associated with the oxidised sands within hole L26 further supports this interpretation.

Further drill testing of the prospective uranium-bearing palaeochannel sands is planned to commence during the coming quarter.

**LACHLAN FOLD BELT, NSW**

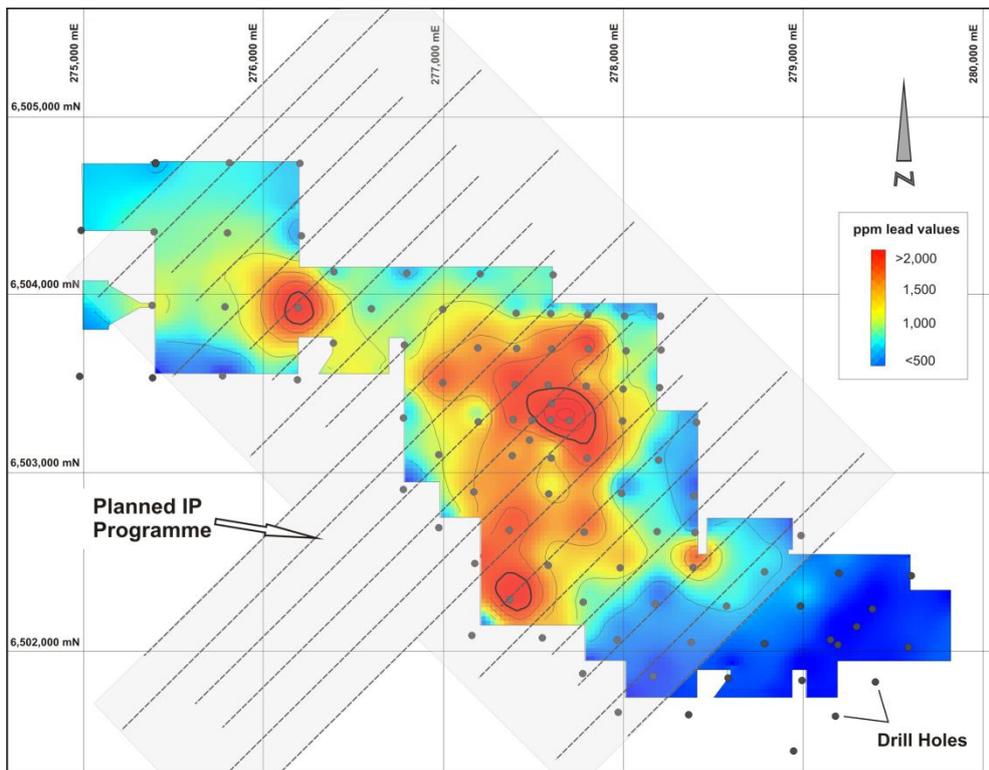
**GHOSTRIDER PROJECT, NSW – PlatSearch 100%**

Preparations for the commencement of field work at the Ghost rider Project MVT lead-zinc-silver project continued. 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.

The Company has designed a large Induced Polarisation (IP) survey, expected to commence in November, to test the project area for deeper base metal sulphides below the oxide regolith and to the west. Deeper drilling may be warranted dependent on results.



*Ghostrider - planned IP 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 very strong returns for the Company. This is exemplified by the sale of PlatSearch's Chesser Resources (ASX code: CHZ) holdings during the latter part of 2010 for approximately \$3 million, or more than ten times the original investment. Similarly, during 2011 the Company also reduced its holdings in Agua Resources (ASX code: AGR) netting a further \$0.3 million, again well above the original investment.

On 22 August 2011 WPG Resources (ASX code: WPG) announced that it had entered conditional agreement for the sale of its iron assets in South Australia to Onesteel Limited (ASX code: OST). On gaining shareholder approval, WPG finalised the sale with Onesteel on 6 October for \$320 million



and announced that it would return \$1.05 per WPG share to its shareholders by way of a fully franked dividend (\$0.63/share) and capital return (\$0.42/share).

PlatSearch owns 10.4 million WPG shares and will receive a pre-tax cash payment of \$10.9 million in early November 2011.

**As a result of its highly successful investment strategy, the Company expects to have approximately \$13.5 million in cash by early November 2011, by far the strongest financial position since PlatSearch listed onto the ASX 24 years ago.**

## **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.

At Eulogie (EFE 100%) Eastern Iron completed a 3,369 metre, 34 hole RC drilling programme aimed at producing a resource estimate reported under the guidelines of the 2004 JORC code for this part of the deposit. The area drilled was roughly 35% of the mapped outcrop of the magnetite bearing ferrigabbro which extends as three lenses over approximately 6 kilometres of strike of the intrusive complex.

Subsequently, Hellman and Schofield Pty Ltd completed a resource calculation, defining a total resource of 465 million tonnes at 14.2% iron (at a 10% iron cutoff) to a depth of approximately 200 metres below the surface.

Recent metallurgical testwork has shown that a magnetite product assaying 61% iron can be produced from processing of this material at a 75 micron grindsize. Further metallurgical testwork is ongoing to investigate the potential to produce a similar product at a coarser grindsize of 150 microns and above.

The resource information compiled from the drilling at Eulogie will be used in a scoping study being carried out for a potential development. Further metallurgical work is also planned.

At Hawkwood (EFE earning 80%) around 2,000 metres of RC drilling will be carried out to supplement the drilling previously completed and aimed at defining a resource reportable under JORC. Much of the drilling will be focused on the northern extension of the Hawkwood system as defined by detailed aeromagnetics.

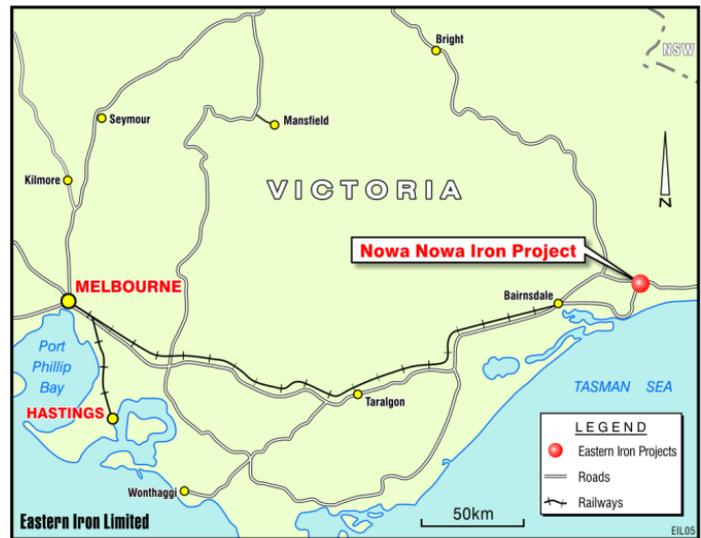
### **Nowa Nowa**

On 13 October 2011 Eastern Iron announced that it had secured option to purchase 100% of the Nowa Nowa Iron Project located in eastern Victoria. Previous core drilling by the Victorian Government and exploration companies over the Five Mile deposit near Nowa Nowa defined a 40-80 metre thick lens of massive magnetite with lesser hematite mineralisation at a depth of 30-50



metres below tertiary sands and Devonian volcanic rocks. Initial work by Eastern Iron indicates the potential for the development of a low capital cost operation producing a high grade iron ore which could be easily and cheaply beneficiated to a coarse, possibly lump, +65% iron product for export.

Eastern Iron will initially focus on recompiling the existing drill and assay data in order to recalculate a resource for the drilled areas in accordance with the JORC guidelines. The company will also examine the possibility of using samples from the existing drill core to conduct some preliminary metallurgical testwork to determine the type and potential value of an iron product from these deposits.



*Nowa Nowa project location*

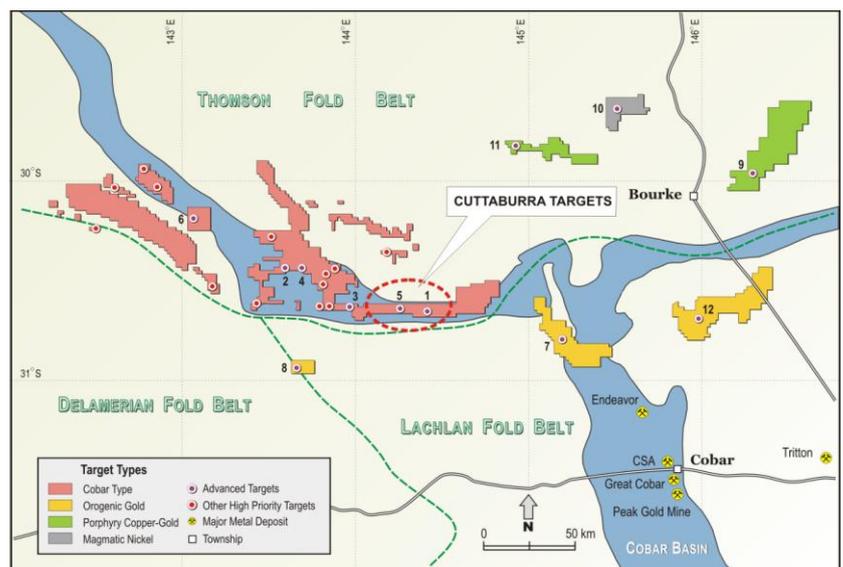
PlatSearch shareholding in Eastern Iron is 31,500,000 ordinary shares (approximately 48.3% of EFE). PlatSearch also holds 5,000,000 \$0.35 options which have an expiry date of 19 December 2012. As at 30 September 2011, EFE shares were trading at \$0.10.

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.

Three core drill holes have been completed at the Cuttaburra A, Ac and B anomalies with assay results received from company’s first hole at Cuttaburra B. The hole intersected significant zinc, copper, lead, silver, gold, tin and tungsten (including 0.7 metres @ 4.21% zinc, 0.46% copper and 0.79% tin from a depth of 411 metres) in a stockwork-style system of veins of quartz, pyrrhotite and pyrite within a 300 metre zone of strong carbonate and silica alteration.



*Cuttaburra target locations within the Thomson Fold Belt*



The two other prospects drilled, Cuttaburra Ac and Cuttaburra A, 5 kilometres and 17 kilometres west of Cuttaburra B respectively also recorded multiple instances of zinc and lead mineralisation (sphalerite and galena) and tungsten within extensive zones of alteration characterised by silicification, veining and brecciation indicating substantial mineralised hydrothermal systems. Assays are pending.

PlatSearch’s shareholding in Thomson is 18,000,000 fully paid shares, or 25.7% of the company and 5,000,000 options exercisable at 30 cents. As at 30 September 2011, the TMZ trading price was \$0.14.

For further details please refer to the TMZ website.

### SILVER CITY MINERALS LIMITED

Following Silver City Minerals Limited’s (ASX code: SCI) successful completion of its Initial Public Offering (“IPO”) raising \$9.8 million, the company commenced a significant campaign of exploration which is expected to include 20,000 metres of drilling over the next 12 months.

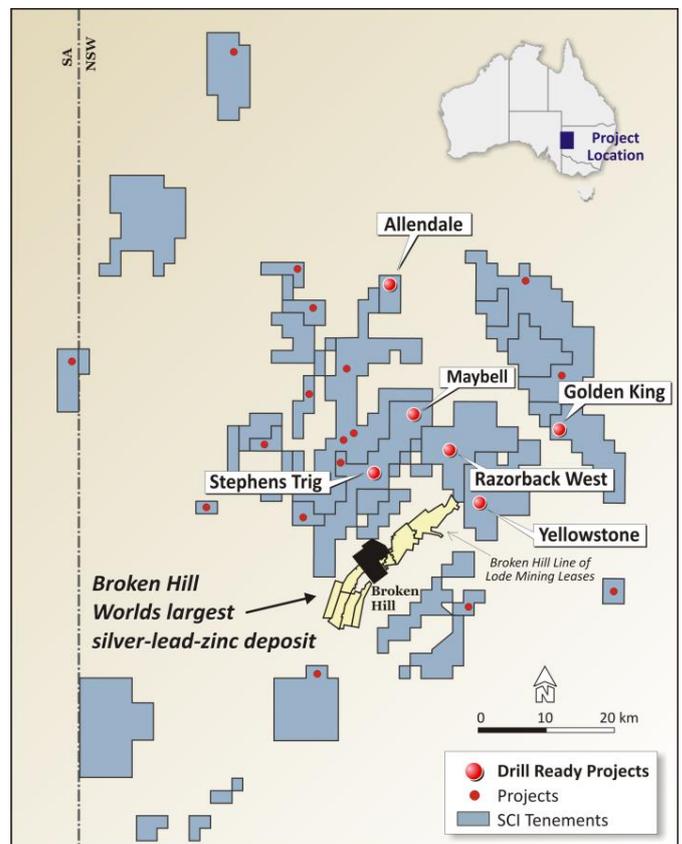
Drilling was completed at:

**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.

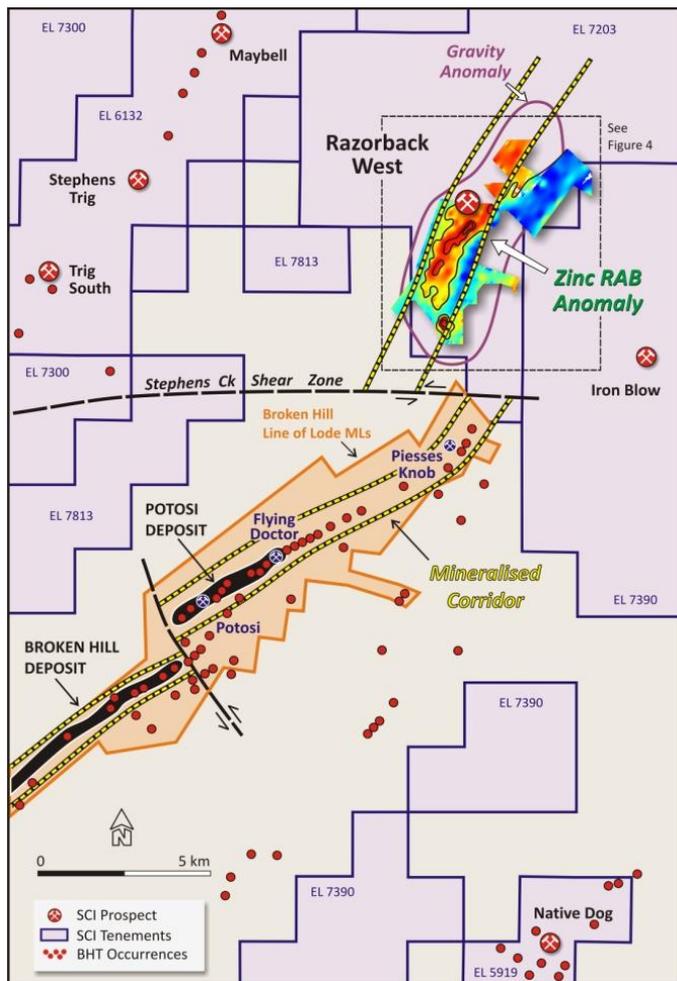
The SCI drilling combined with historic diamond drill holes has shown that mineralisation extends for over 300 metres along strike and dips steeply to the east to depths of 200 metres. Mineralisation appears to be open down-dip and both north and south.

Geological interpretation of the mineralised horizons is ongoing. A second phase of drilling is currently in the planning stage.

**Maybell** – Six RC holes have been completed to test the possible extensions of high grade silver mineralisation as outlined within the SCI prospectus. Assays are pending.



Silver City tenements and drill-ready targets



**Silver City Razorback West prospect**

**Razorback West** – RAB traverse drilling (252 holes) tested a large zinc and lead anomaly as defined by previous scout drilling to the north of the Broken Hill deposit. The anomaly extends for 4.5 kilometres and is between 100-200 metres wide. The new work has confirmed the strength of the anomaly and expanded it northward. Follow-up RC drilling will test the prospect during 2011.

Other work completed during the quarter included IP over the Yellowstone copper/gold prospect and RAB drilling over the Ziggys lead-zinc-silver prospect. Results are pending.

PlatSearch’s shareholding in Silver City is 14,325,182 fully paid shares, or 14.6% of the company. As at 30 September 2011, the SCI trading price was \$0.18.

For more details on the exploration, refer to the Silver City Minerals website.

## WPG RESOURCES LTD

On 22 August 2011 WPG Resources announced that it had entered conditional agreement for the sale of its significant advanced iron assets in South Australia to Onesteel Limited. Subsequent to WPG gaining shareholder approval, the company finalised the sale with Onesteel on 6 October for \$320 million and announced that it would return \$1.05 per WPG share to its shareholders.

Following the distribution of the sale proceeds to its shareholders, WPG will retain approximately \$87 million (from which it will pay approximately \$71 million in tax in April 2012) as well as its 50% shareholding in Southern Coal Holdings Pty Ltd which owns the significant Penrhyn and Lochiel North coal projects in South Australia, its joint venture with Evergreen Energy Inc to commercialise clean coal technology and its land asset and capacity to develop a bulk export facility at Port Pirie.

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 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 has also completed the acquisition of a private mineral exploration company, Potassio do Atlantico Ltda, which holds the highly prospective and potentially large scale Atlantic Potash Project in NE Brazil. The company expects to start drilling the Potash project in the last quarter of 2011.

PlatSearch currently holds 185,000 fully paid shares, 1 million options exercisable at \$0.35 and 200,000 options exercisable at \$0.50. As at 30 September 2011 Agua shares were trading at \$0.55. For further details refer to the AGR website.

## **BUSINESS DEVELOPMENT**

PlatSearch has identified a range of advanced and brownfield opportunities within Europe and Africa and is progressing further evaluation work as part of its strategy to advance the Company towards production and cash flow. It has now incorporated a wholly owned European subsidiary, Variscan Mines SAS, established and equipped an office in France and employed a team of experienced European geologists.

The Company recently announced that Variscan has signed a Memorandum of Understanding (MOU) with ERAMET to assist in the development and construction of new projects that Variscan identifies and acquires in Europe.

ERAMET is a major French multi-national mining and metallurgical company and a significant producer of nickel and manganese. It is actively seeking new growth opportunities, notably in its core commodities as well as into specialty metal markets. The MOU allows ERAMET (subject to mutual agreement) to earn an interest in specialised metal projects (e.g. critical metals such as tungsten and alloying metals such as nickel and manganese) acquired by Variscan by funding the engineering and construction of the metallurgical plant at a mine site, as well as providing the operational and product marketing expertise.

The agreement is a positive development for PlatSearch. The MOU aligns the Company, through Variscan, with a large, well financed group which helps provide added depth and flexibility, particularly in project financing of new mine construction and access to outstanding metallurgical, R&D and marketing skills. It allows the Company to potentially leverage off its strong geological and exploration skills and its knowledge and technical understanding of Europe through partnership with one of Europe's leading mining groups.

## **CORPORATE AND FINANCIAL**

### **CORPORATE**

Following the recent significant deterioration of stock markets worldwide and the heightened risk of further substantial volatility, the Company decided to suspend its proposed Singaporean listing until



conditions improve. The recent WPG asset sale and capital/dividend distribution to shareholders will result in a substantial boost to cash held by PlatSearch and defers the need for new capital.

PlatSearch appointed Mr Alan Breen, a highly experienced metallurgist and mine manager to its Board as a non-executive director. Mr Breen is a metallurgist with over 35 years operational and executive management experience across a diverse range of commodities in Australasia, Europe and Africa. He has held senior and executive management roles with Xstrata, Rio Tinto Aluminium and, more recently, at Ok Tedi Mining where he held the position of Managing Director for 4 years.

Mr Breen's appointment is an important part of the PlatSearch strategy to acquire and potentially develop advanced or brownfield projects as it will help to ensure that the Company astutely manages and supports its growth plans.

## FINANCIAL

Cash expenditure by the PlatSearch on exploration for the quarter was \$162,000. Expenditure by joint venturers on PlatSearch projects was \$962,000 for the quarter. Cash funds available for PlatSearch and for the Group at 30 September 2011 were \$2.7 million and \$5.5 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".*

*The information in this report that relates to Mineral Resources for Eastern Iron Ltd is based on information compiled by Arnold van der Heyden, BSc, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr van der Heyden is a full-time employee of Hellman & Schofield Pty Ltd 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"*

*Both Messrs van der Heyden and Jones consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*