



# PLATSEARCH NL

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9 February 2007

Dear Shareholder

The enclosed documents are important and I urge you to give them your full consideration.

## **Invitation to Participate in the PlatSearch Share Purchase Plan**

I am pleased to advise that your Board of Directors has decided to make an issue under its Share Purchase Plan (SPP). The SPP entitles shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$5,000 worth of shares in PlatSearch free of brokerage. An Application Form is also enclosed, should you wish to participate. If fully subscribed, the Offer under the SPP will raise \$400,000 through the issue of 3,333,333 shares, as the Board has decided to limit the amount of the issue to \$400,000.

The right to participate in this initial offer under the SPP is available exclusively to persons who are registered as holders of fully paid ordinary shares in PlatSearch NL at 5:00pm on the record date of 25 January 2007 and whose registered address is in Australia, New Zealand and any other jurisdiction in which it is lawful for the Company to offer shares under the SPP.

The purchase price of the new shares to be offered under the SPP has been set at 12 cents. This represents a price less than the last closing sale price prior to the date of this letter of 12.5 cents per share. It is a 7.6% discount to the weighted average market price of the ordinary shares sold during the course of trading on the Australian Stock Exchange for the five trading days immediately preceding this announcement. It is a 10% discount to the weighted average market price of the ordinary shares sold during the course of trading on the Australian Stock Exchange for the three trading months immediately preceding this announcement. The issue price compares with the 52 week high of 20 cents and 52 week low of 6 cents.

From a fundraising viewpoint, placements to large investors can be completed quickly and at a low cost. However, we are conscious that smaller shareholders do not get the opportunity to subscribe equity at the discounted placement price. It is for this reason that we make this offer to follow the recently completed placement at 12 cents, which raised \$600,000.

## **Current and Forthcoming Company Activities**

The SPP will afford shareholders the opportunity to acquire additional shares during an active period for the Company with drilling programmes at a number of its emerging New South Wales and South Australian gold and base-metals projects. These programmes are set out in the attached Exploration Update. Success for the Company in any one of these projects could see a positive re-rating of the Company's share price.

Whilst my fellow Directors and I have confidence in the future of the Company, it would be remiss of me if I did not also draw your attention to the fact that owning shares in an exploration company, like PlatSearch, is considered a speculative form of investment and that the future price of the Company's shares can rise or fall depending on exploration success and fluctuations on the stock market generally. Shareholders should be aware that there is a risk that the market price of the shares may change between the date of this offer and the date when the new shares are issued to you under the SPP. The value of the shares you receive may rise or fall accordingly.

#### **Additional information and key dates**

If you would like to participate in the SPP, please return your completed application form, together with your cheque representing the purchase price by the **6 March 2007**.

Please note that the maximum investment per shareholder is \$5,000 (representing 41,667 shares at a purchase price of 12 cents per share). The minimum number that can be applied for is 4,167 shares at a total cost of \$500. Shareholders may also apply for any number of shares between the maximum and the minimum. Shares allotted under the SPP will be issued no later than 10 March 2007.

**Applications will be considered on a first come first served basis.** If applications in excess of 3,333,333 shares in total are received, then these applications will be allotted on a first come, first served basis. All extra applications will be returned, so that the maximum allowed number of shares are issued (i.e. 3,333,333 shares). A full copy of the Terms of the PlatSearch NL Shareholder Share Purchase Plan is available on request from the Company. If you have any questions on the SPP, please call the Company's office on (02) 9906 5220 during business hours.

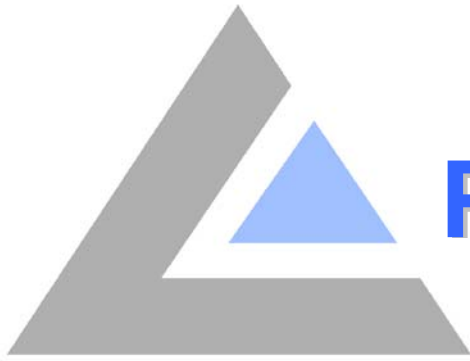
The rights attaching to the SPP Shares are identical in all respects to existing fully paid ordinary shares in the capital of the Company.

If fully subscribed, the Offer under the SPP could raise \$400,000. The intended use of the funds raised, pursuant to the issue of the SPP Shares, is to further advance the Company's exploration activities by providing additional working capital to support the programmes set out in the attached Summary of Exploration Highlights.

Yours sincerely  
**PlatSearch NL**



**Raymond J Soper**  
Chairman



# PLATSEARCH NL

## EXPLORATION UPDATE

February 2007

Dear Shareholder

To assist in your evaluation of the accompanying Shareholder Purchase Plan, PlatSearch is pleased to provide the following update.

The level of activity on the PlatSearch portfolio will be very high during 2007. Following a period of intensive joint venture negotiations, PlatSearch has now secured funding for exploration work on 24 of its 39 tenements in NSW, SA and QLD. Joint venturers include Teck Cominco, Newcrest Mining, CBH Resources, Red Metal, Crossland Uranium Mines, Western Plains Resources, Perilya Mining, Bondi Mining, WCP Resources, Marathon Resources and Tri Origin. In accordance with joint venture agreements that provide favourable terms for PlatSearch, these parties are funding and conducting substantial work, including drilling in most projects, for copper, gold, silver, lead, zinc, nickel and uranium. In some cases, PlatSearch personnel are providing technical assistance to joint venture operations.

While the expenditure requirements for most of our projects are met by joint venturers, PlatSearch has costs in other areas necessitating contributions from its shareholders from time to time:

- Management of the commercial and technical aspects of joint ventures from PlatSearch's point of view, to ensure that exploration work is conducted in your Company's best interests, is an ongoing and demanding requirement for the small PlatSearch team. The team has been strengthened recently by the appointment in January 2007 of geologist Peter Buckley as Exploration Manager.
- There are 15 tenements that are not farmed out and are being funded solely by PlatSearch on programmes designed to add value by identifying drill targets and in some cases negotiating joint ventures.
- Project generation is a priority for PlatSearch to ensure that we maintain a constant stream of new projects and drill targets. This involves considerable research, field investigations and the acquisition of large sets of geophysical and geological data. For precious and base metals in Eastern Australia, this work is funded through share issues to our strategic alliance partner Minotaur Exploration. However project generation in other states and for other commodities is a direct PlatSearch cost.
- Although PlatSearch keeps its management and overhead expenditure very low by industry standards this is an ongoing cost that has to be met.

Particular developments that shareholders should be aware of are summarised overleaf in the "Highlights" section. Further information is available on the Company's website [www.platsearch.com.au](http://www.platsearch.com.au).

## HIGHLIGHTS

- **Six new joint venture agreements** were signed during the last few months bringing the total number of active joint ventures to 14. The new joint ventures are:
  - **Kalabity, SA** with *Crosslands Uranium Mines*. Crossland will undertake further geochemical sampling followed by RAB drilling with particular attention on the KR4 prospect where uranium occurs as davidite in veins over a 1.5 kilometres strike length.
  - **Mundi Plains/Junction Dam, NSW/SA** with *Teck Cominco*. A programme of deep drilling seeking Broken Hill style zinc-lead-silver has commenced on two targets.
  - **Cymbric Vale, NSW** with *Bondi Mining*. Field work to investigate nickel and copper prospects has commenced. Bondi will complete a RAB drilling programme before May 2007.
  - **Dunmore/Tomingley, NSW** with *Bondi Mining*. A contractor has been engaged to fly detailed aeromagnetic surveys over both tenements in March 2007. RAB drilling seeking porphyry copper-gold and sheeted quartz vein associated gold targets will follow.
  - **Lilleyvale, QLD** with *WCP Resources*. WCP is committed to drill two deep rotary/core holes, seeking IOCG style copper-gold mineralisation and commencing as soon as a drill is available and weather permits.
  - **Mirikata, SA** with *Newcrest Operations*. Newcrest will complete before 30 June 2007 a \$100,000 programme including drilling to test magnetic/gravity targets located approximately 25 kilometres west of Oxiana's Prominent Hill project in the Gawler Craton.
- **Western Plains Resources (WPG)**, in which PlatSearch has a 10% shareholding and 4.85 million options, has commenced a bankable feasibility study for the Peculiar Knob DSO iron ore deposit in South Australia. A 7,900 metre drilling programme has commenced to enable an upgrade of the status of the resource to the Measured and Indicated categories and provide essential data for a detailed mine design. At Hawks Nest a 17 hole RC percussion drill programme for an estimated 2,300 metres will test several promising geophysical targets for the presence of new DSO haematite and/or high grade magnetite deposits within the Hawks Nest BIF terrain.
- At the **Euriowie Project**, Broken Hill, NSW, joint venturer WPG is completing a programme of eight RC percussion holes and one core hole on the Son of Man, B40 and Yalcowinna Creek prospects. Encouraging copper mineralisation has been intersected in two holes at Yalcowinna Creek.
- An application for PACE funding of \$75,000 for drilling at **Wynbring Project**, SA has been successful. Negotiations regarding a joint venture to fund ongoing work are at an advanced stage.
- PlatSearch has built a strong tenement position in the **Thomson Fold Belt**, NSW with a further four tenement applications. A recent intersection of encouraging base and precious metals by Compass Resources at their nearby Cuttaburra prospect has highlighted the potential of this region. The Compass discovery hole targeted a discrete magnetic anomaly in a setting interpreted to represent a look-alike to the Siluro-Devonian Cobar Basin, the province of several important base metals and precious metals deposits. In PlatSearch's 1,900 square kilometre tenement package, the Company has identified at least 30 magnetic anomaly targets that justify drill testing for similar style mineralisation. Information packages on these tenements are being reviewed currently by Minotaur Exploration regarding their possible joint venture participation.
- Joint venturer Red Metal was awarded a PACE grant for a deep drill hole to test one of several localised gravity anomaly targets for IOCG copper-gold-uranium in the eastern part of the **Callabonna Project** tenement in the Curnamona Craton, SA.
- In the Curnamona Craton, Red Metal is preparing to complete core drilling in basement rocks at the Dolores East prospect in the **Quinyambie Project**. A previous core hole discovered a large, haematite altered, brecciated, volcanic intrusive body with strongly anomalous copper.

## PLATSEARCH NL

Bob Richardson  
**Managing Director**

*The information on mineralisation contained in this announcement accurately reflects information compiled by R L Richardson, BSc, BE (Hons), MAusIMM, MASEG, Managing Director and a part-time employee 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 announcement.*