



# PLATSEARCH NL

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30 July 2004

## QUARTERLY REPORT FOR PERIOD ENDED 30 JUNE 2004

### HIGHLIGHTS

- **Terms for five new joint ventures** relating to six of PlatSearch's tenements at Broken Hill NSW (**Mulyungarie, Mundi Mundi, Hollis Tank, Coultra, Euriowie, Para Tank**) and one in the Gawler Craton SA (**Toolgerie**) have been agreed and are being documented. Subject to certain conditions and events being satisfied, these joint ventures will lead to very substantial exploration work and drilling on these areas.
- Inco is scheduled to commence a large airborne electromagnetic survey over part of PlatSearch's **Wynbring Project** in early August 2004.
- Red Metal has completed extensive gravity surveys over parts of the **Callabonna and Quinyambie** tenements located on the northern margin of the Curnamona Craton. The survey has defined new targets and drilling will be undertaken during the December 2004 quarter.
- Joint venturer Sipa Resources completed a programme of 240 RAB drillholes to better define C-horizon geochemistry at the **Stephens-Centennial Project**.
- Joint venturer Marathon Resources has exercised an option regarding the **Coondambo Project** in the Gawler Craton and is now committed to complete further geophysical surveys and one deep drillhole.
- PlatSearch has completed gravity surveys over two copper-gold targets in the **Tarcoola** tenement. A review by PlatSearch of available data shows evidence of prospectivity for Voisey's Bay style nickel-copper sulphide deposits in this area and discussions with possible joint venture partners regarding this potential are in progress.

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

**Mundi Mundi, NSW and Mulyungarie, SA** - *EL 4657 PlatSearch 100%, and EL 2776 PlatSearch 80%, Eaglehawk 20%*

Documentation is being prepared to record the agreed terms of a proposed joint venture agreement. The intention of the agreement is to fund the drill testing of the K1 prospect located within the Mulyungarie tenement close to the NSW/SA border. The K1 prospect is defined by one of the strongest magnetic anomalies in the region and is regarded as a classic target for iron-oxide copper-gold style mineralisation (IOCG). During the quarter PlatSearch completed a detailed gravity survey over the prospect and the results confirm the likely existence of a substantial ironstone body at relatively shallow depth (100-130 metres). Geophysical interpretation suggests that the ironstone body is at least 100 million tonnes in size. A shallow drill test by a previous explorer encountered anomalous gold in a massive quartz-magnetite-chlorite body with intense iron-oxide alteration. The body lies within a magnetic horizon that extends into the adjoining Mundi Mundi tenement. This horizon is also prospective for copper and gold and the Mundi Mundi tenement will also be a subject of the joint venture agreement.

Following the completion of eight shallow drill holes testing for uranium mineralisation in palaeodrainage channels, Southern Cross Resources withdrew from a joint venture agreement over the Mulyungarie tenement

**Hollis Tank and Coultra, NSW** - *ELs 5765 and 6041, PlatSearch 80%, Eaglehawk 20%*

Terms of two joint venture agreements are being documented to cover proposed work on these tenements. It is intended that one joint venture partner will explore the northern part of the Hollis Tank tenement where previous drilling by PlatSearch has intersected encouraging cobalt and gold values focussed at the Great Goulburn prospect. Widespread shallow soil cover has inhibited previous exploration, however the area embraces many strike kilometres of prospective stratigraphy and is amenable to exploration by geochemical and geophysical techniques. This joint venture will fund an extensive geochemical survey over the northern part of the Hollis Tank tenement.

A second proposed joint venture will focus on the southern part of the Hollis Tank tenement and the Coultra tenement. Coultra tenement includes the early Coultra Copper Mine where there is a 100 metre wide zone of cupriferous, gossanous quartz lodes extending over a strike length of at least 330 metres. Percussion drilling by a previous explorer (1967) encountered wide zones of low-grade copper mineralisation including 21.3 metres at 0.5% copper. Surface rock-chip sampling gives strong copper values up to 4.9%; however, there has been no assaying for gold at this prospect. This will be a priority for the new joint venture partner.

**Euriowie and Para Tank, NSW** - *EL 5771 and EL 6188, PlatSearch 80%, Eaglehawk 20%*

Documentation for a proposed joint venture agreement is being prepared for both tenements. Interest in this area has been stimulated by the interpretation and results of rock-chip sampling conducted by PlatSearch in late 2003.

The incoming party intends to undertake a programme of shallow detailed RAB drilling and geophysical surveys on at least four key prospects, followed by RC percussion drilling. These prospects are defined by outcropping gossans and ironstones carrying high values of gold and copper. Few of these prospects have been tested by drilling. PlatSearch's total tenement coverage in the area is now 426 square kilometres.

**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

Sipa has completed 240 RAB drillholes to bedrock depth at the Stephens Trig prospect to provide more detailed C-horizon geochemical coverage. The results will be used to identify further RC drilling targets to follow up encouraging drilling results obtained during the March 2004 quarter. Some stream samples have also been collected for bulk leach gold analysis.

**Redan, NSW** - EL 5795, PlatSearch 80%, Eaglehawk 20%

A detailed review of all previous work has isolated seven key prospects requiring further detailed prospect work and possibly drilling. PlatSearch has agreed terms for an incoming party to undertake a programme of shallow detailed RAB drilling on at least four key prospects, followed by RC percussion drilling. Documentation to record the agreed terms is being prepared.

**Callabonna, SA** - EL 2886, PlatSearch 100%; Red Metal can earn 51%

Red Metal has completed an extensive gravity survey comprising 2,034 gravity stations over parts of the tenement. The results will be used to identify further drilling targets. Drilling is scheduled for the December 2004 quarter.

**Quinyambie, SA** - EL 3197, PlatSearch 50%, a prospecting syndicate 50%, Red Metal can earn 51%

Red Metal has completed an extensive gravity survey comprising 764 gravity stations over parts of the tenement. The results will be used to identify further drilling targets. Drilling is scheduled for the December 2004 quarter.

## **LACHLAN FOLD BELT, NSW**

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

The Trundle area is prospective for porphyry copper-gold systems of the Northparkes/Cadia/Ridgeway type. It contains Late Ordovician rocks known as the Raggatt Volcanics comprised of a co-magmatic suite of andesitic volcanics, pyroclastics, volcanoclastic sediments and minor carbonate-rich horizons including limestone intruded by sub-volcanic stocks that range in composition from diorite to quartz monzonite. The Raggatt Volcanics are widely considered to be stratigraphic equivalents of the of the Goonumbla Volcanics that host the large Northparkes porphyry copper-gold deposits located only 20-25 kilometres due east.

PlatSearch's recent interpretation of available geophysical and geological data suggests that younger rocks of Upper Silurian age in the centre of the tenement may unconformably overlie prospective Raggatt Volcanics. Previous drilling has not tested this interpretation.

During the quarter PlatSearch has conducted two test traverses of ground magnetic measurements across the area. The results indicate that earlier magnetic surveys have positional errors that may have led to mistargeting some previous drillholes. A very detailed low-level aeromagnetic survey is planned for the area.

PlatSearch is negotiating terms for a proposed agreement with another party that will enable ongoing exploration, including drilling, to be adequately funded.

## **GAWLER CRATON, SA**

### **Wynbring, SA** - *ELA 082/03, PlatSearch 100%, Inco earning 60%*

Inco Resources (Australia) Pty Ltd (Inco) is scheduled to commence an extensive detailed airborne electromagnetic survey within PlatSearch's tenement in early August 2004. The survey will cover an area of approximately 400 square kilometres and is designed to detect conductive sulphide bodies.

The Wynbring tenement (PlatSearch 100%) covers an area of approximately 2,000 square kilometres located on the western margin of the Gawler Craton and is considered to be prospective for nickel sulphide deposits. Inco can earn a 60% interest in the tenement by spending \$2,000,000 within four years from the granting of the licence and is committed to spend at least \$200,000 within the first year.

### **Toolgerie, Yalata and Black Hill, SA** – *EL 3216, ELAs 242/04 and 243/04, PlatSearch 80%, Bohoun Resources 20%*

The Toolgerie licence is located within the Fowler Domain approximately 150 kilometres south-west of Wynbring. Terms for a proposed joint venture with another party have been agreed and are currently being documented. The incoming party will fund exploration for sulphide nickel-copper deposits.

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

Marathon Resources Limited has completed detailed gravity surveys over part of the tenement. Marathon has exercised its option to enable it to earn an 80% interest in the tenement. Under the agreement Marathon will complete further gravity and electrical geophysical surveys and must complete a basement drill hole before June 2005.

## **MT ISA BLOCK, QLD**

### **Horse Creek, QLD** - *EPMs 13303 and 13304, PlatSearch 100%*

PlatSearch is completing a detailed gravity survey over part of EPM 13304. The survey covers the northern extension of a magnetic anomaly considered to be related to a very large ironstone body. The adjacent tenement holder is scheduled to drill test this anomaly within its tenement shortly.

## **OTHER PROJECTS**

There has been no significant work or developments on other projects during the quarter. Gravity Capital has withdrawn from its joint venture with Sipa and PlatSearch over the Copper King tenement, Broken Hill.

## **FINANCIAL**

Cash expenditure by PlatSearch on exploration for the quarter was \$70,000. Expenditure by joint venturers on the Company's projects was \$165,000 for the quarter. Cash funds available at the end of the quarter were \$408,000. The Company has no borrowings.

**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.*