NIPLATS AUSTRALIA LIMITED

QUARTERLY REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2008

ASX CODE: NIP

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Operations Report

INTRODUCTION

NiPlats has established a portfolio of 100% owned tenements covering approximately 473 square kilometres in the East Kimberley region of Western Australia (“Tenements”).

Recent discovery of PGE+Au (“Platinum group elements plus gold”) mineralisation in the Tenement area has generated the opportunity for additional exploration. Similar geological settings elsewhere in the world have yielded PGE mineralisation.

In addition to this PGE+Au opportunity, the Tenement area has also shown to be prospective for a range of mineralisation including:

- Vanadium;
- Copper-gold;

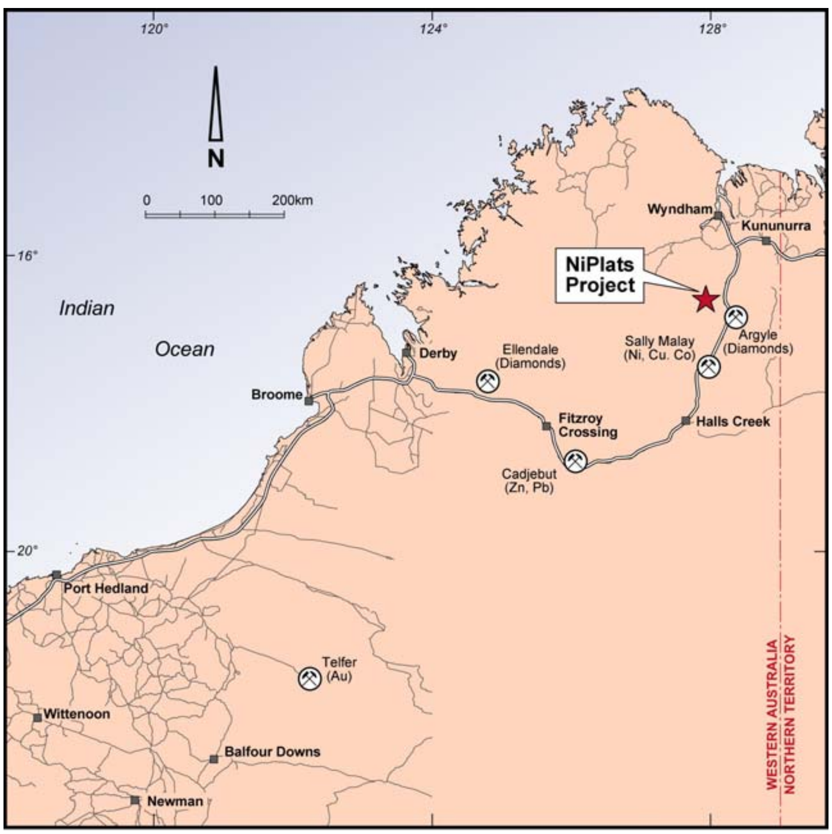
The Tenements also contain a high grade quality fluorite deposit with Indicated and Inferred Resources totalling 5.5 Mt at 24.5% (at 10% CaF_2 cut-off grade), comprising an Indicated Resource of 4.4 Mt at 24.9% CaF_2 and an Inferred Resource of 1.1 Mt at 23.0% CaF_2. This fluorite resource was recently upgraded (14 October 2008) by 25% based on the drilling information obtained from the 2007 drilling exploration programme.

The value of the Tenements are underpinned by this previously identified fluorite deposit.

LOCATION

The NiPlats tenements are located approximately 110 kilometres southwest of Kununurra and 100 kilometres south of the port of Wyndham in the Kimberley region of Western Australia. The Tenements are accessed via 45 kilometres of unsealed tracks from the sealed Great Northern Highway.

Fluorite was first recorded in the area in 1905 with the first resources defined in the 1970’s, with further development of the resource in the intervening years until the current time.



NiPlats Australia Limited
Project Location

Figure 1: NiPlats Australia Ltd Location Map

NiPlats

EXPLORATION PROGRAMME COMPLETED IN 2008

The programme, the field component of which was completed in September 2008, consists of:

- Upgrading station tracks and establishing drill-site access;
- RC drilling;
- Diamond core drilling;
- Geological mapping;
- Soil sampling;
- Initial metallurgical testing of the vanadiferous magnetite; and
- Resource estimates for the vanadium and fluorite.

The programme focused on:

- Identifying the regional extent of the PGE+Au reef discovered in 2007 and locate any potential feeder zones for improved grades;
- Drill the large vanadium exploration targets with a view to completing resource estimates and metallurgical testwork to assess development potential;
- Drill the down dip extensions of the fluorite resource to test the potential copper-gold system;
- Drill extensions of the existing fluorite resource, update the resource estimate and assess development options.

The Company advises in respect of each of these aspects of the Exploration Programme:

Track & Drill Site Access

There has been a significant improvement in the general state of existing tracks over the previous year and substantially larger area of the tenement now accessible.

RC Drilling

A combined total of 10,912 m of RC drilling in 98 holes and 2 diamond drill pre-collars were successfully completed targeting PGE+Au, vanadiferous titanomagnetite and fluorite mineralisation with assay results pending. RC drilling targeting vanadium mineralisation in the magnetite gabbro was completed on the Central Zone (3,045 m in 41 holes), Red Hill Zone (965 m in 13 holes) and Buckman Zone (1,310 m in 16 holes). On receipt of the assay results, resource estimates are planned to be completed for vanadium.

Diamond Core Drilling

A total of 1,500 m of diamond drilling in 6 holes were successfully completed targeting PGE+Au, vanadiferous titanomagnetite and fluorite mineralisation with assay results pending.

Geological Mapping

Mapping of an extensive area of the tenements has been completed which will add to the overall understanding of the tenement geology and its prospectivity for vanadium, PGE+Au and fluorite mineralisation.

Soil Sampling

850 soil samples have been collected. Samples have been transported to Perth with assays pending.

Metallurgical testing of vanadiferous magnetite in gabbro

Samples required for metallurgical testing have been transported to Perth and testing is underway to provide indications of the mass recovery and vanadium tenor of a magnetite concentrate separated from the magnetite bearing gabbro unit.

Resource estimates for vanadium and fluorite

Assay testing has been given priority in respect of the vanadiferous magnetite bearing gabbro unit at Central, Red Hill and Buckman Zones for the purpose of expediting the Company's stated objective of generating a JORC compliant resource. Resource modelling will commence when all assays have been received and interpreted.

The first of two fluorite resource upgrades was completed on 14 October 2008, based on drilling completed in 2007. The resource upgrade increased tonnage by 25%.

The Company expects to make a further fluorite resource upgrade after receipt of assays from samples collected during the 2008 exploration programme.

Results Pending

NiPlats has transported numerous samples to Perth and assays are pending. The Company advises that it will release results as soon as interpretation of results is completed over the coming months.

Operations Report

NiPlats

MINERAL RESOURCE

The Tenements have been previously explored and contain a high grade, high quality fluorite vein system (A, B, C & E Veins) with Indicated and Inferred Resources of 5.5 Mt at 24.5% (at 10% CaF_2 cut-off grade), comprising an Indicated Resource of 4.4 Mt at 24.9% CaF_2 and an Inferred Resource of 1.1 Mt at 23.0% CaF_2.

The drill results from 2008 below the current A, B, C & E veins fluorite resource will be incorporated into a resource updates when all assays have been received.

EXPLORATION PROGRAMME FOR 2009

Results will be reported as they become available and will be the basis for a follow up drilling programme in 2009 targeting the vanadiferous magnetite gabbro for PGE+Au and vanadium mineralisation.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Anthony Barton – Non Executive Chairman

Richard Wolanski – Executive Director

Background

NiPlats Australia Limited ("NiPlats) is a mining and exploration company whose prime focus is the definition and development of its vanadium – platinum and fluorite discoveries in the East Kimberly region of Western Australia.

NiPlats current 2008 work program has prioritized drilling to establish a resource for the vanadium discovery and to extend the resource for fluorite in order to fast track progress towards the feasibility of establishing a world class mining facility based on these exciting discoveries.

Driven by Chinese steel production and strong growth for high strength steels, the Vanadium market is exhibiting strong fundamentals and record prices, providing a strong incentive to focus on this strategic commodity as a high priority to build shareholder value.

NiPlats Australia Limited has a 100% interest in three granted Mining Leases (M80/267, M80/269 and M80/270) and two granted exploration licences (E80/2863 and E80/3657) covering 473 km² located about 100 km southwest of Kununurra. The tenements cover the Speewah Dome where Proterozoic-age Hart Dolerite intrudes older sediments of the Speewah and Kimberley Groups, which has been disrupted by fault and fault splays of the Greenvale Fault Zone that hosts both fluorite mineralisation and carbonatites in the Speewah area.

Mr Ken Rogers (Member of the Australian Institute of Geoscientists), acting Chief Geologist for NiPlats Australia Limited, compiled the technical aspects of this report. Mr Rogers has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being reported on to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Rogers consents to the inclusion in the report of the matters in the form and context in which it appears.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

NIPLATS AUSTRALIA LIMITED

ACN	Quarter ended ("current quarter")
ACN 100 714 181	30 September 2008

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for:		
	(a) exploration and evaluation	(2,339)	(2,339)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(188)	(188)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other –		
	Net Operating Cash Flows	(2,523)	(2,523)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other:		
	(a) Proceeds from disposal of controlled entity	-	-
	(b) Cash on hand upon purchase of controlled entity	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(2,523)	(2,523)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,523)	(2,523)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	(10)	(10)
	Net financing cash flows	(10)	(10)
	Net increase (decrease) in cash held	(2,533)	(2,533)
1.20	Cash at beginning of quarter/year to date	5,217	5,217
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	2,684	2,684

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	216
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

	$'000
Directors' remuneration	45
Technical Assistance (Chief Geologist and Exploration Manager)	102
Occupancy and Administration charges	69

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	750
4.2	Development	
	Total	750

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	644	1,177
5.2	Deposits at call	2,000	4,000
5.3	Bank overdraft	-	-
5.4	Deposits held as security for bank guarantees	40	40
	Total: cash at end of quarter (item 1.22)	2,684	5,217

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2	Interests in mining tenements acquired or increased	Nil			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	-	-		
7.2	Changes during quarter	-	-		
7.3	**+Ordinary securities**	74,800,000	37,695,080		
7.4	Changes during quarter (a) Increases through issues (b) Increases through release from escrow	-	-		
7.5	**+Convertible debt securities** *(description)*	-	-		
7.6	Changes during quarter	-	-		
7.7	**Options** *(description and conversion factor)*	5,000,000 200,000	- -	<u>*Exercise price*</u> 20 cents 45 cents	<u>*Expiry date*</u> 30.06.2012 31.03.2013
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	-			
7.10	Expired during quarter	-			
7.11	**Debentures** *(totals only)*	-			
7.12	**Unsecured notes** *(totals only)*	-			

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: R. Wol... Date: 30 October 2008

(Director/Company Secretary)

Print name: Richard Wolanski

+ See chapter 19 for defined terms.

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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