

PLATSEARCH NL

ACN 003 254 395

Level 1, 80 Chandos Street, St Leonards NSW 2065 (PO Box 956, Crows Nest NSW 1585)

Telephone: (02) 9906 5220 Facsimile: (02) 9906 5233

Email: pts@platsearch.com.au Website: www.platsearch.com.au

3 May 2004

The Company Announcements Office
Australian Stock Exchange Limited

ANNOUNCEMENT OF JOINT VENTURE WITH RED METAL LIMITED QUINYAMBIE PROJECT, SA

PlatSearch is pleased to announce that a Heads of Agreement has been signed with Red Metal Limited (Red Metal) in relation to PlatSearch's Quinyambie tenement EL 3197. Quinyambie covers an area of approximately 1,000 square kilometres located on the northern margin of the Curnamona Craton in South Australia and is considered to be prospective for large iron oxide copper-gold (IOCG) deposits, of a similar style to the Olympic Dam deposit. Currently the tenement is held by PlatSearch 50% and the Dolores Syndicate (50%).

The agreement permits Red Metal to earn a 51% interest in the tenement by completing expenditure of \$1,000,000 on the tenement. This expenditure shall include a minimum commitment work programme consisting of a detailed gravity survey covering extensive parts of the tenement area and a drill hole test of a selected target to basement depth, to be completed within the first 12 months. When Red Metal has earned a 51% interest, the parties will enter into a joint venture agreement that permits Red Metal to increase its interest to 70% by completing further expenditure of \$2,000,000.

When Red Metal has earned a 70% interest, PlatSearch and the Dolores Syndicate can each participate with a 15% interest, or each convert to a 7.5% interest carried to the decision to mine stage, or each exchange its interest for a net smelter return royalty. If PlatSearch and the Dolores Syndicate elect to have carried interests then the carried expenditures shall be repayable to Red Metal from 80% of PlatSearch and the Dolores Syndicate's share of the net proceeds of mine production.

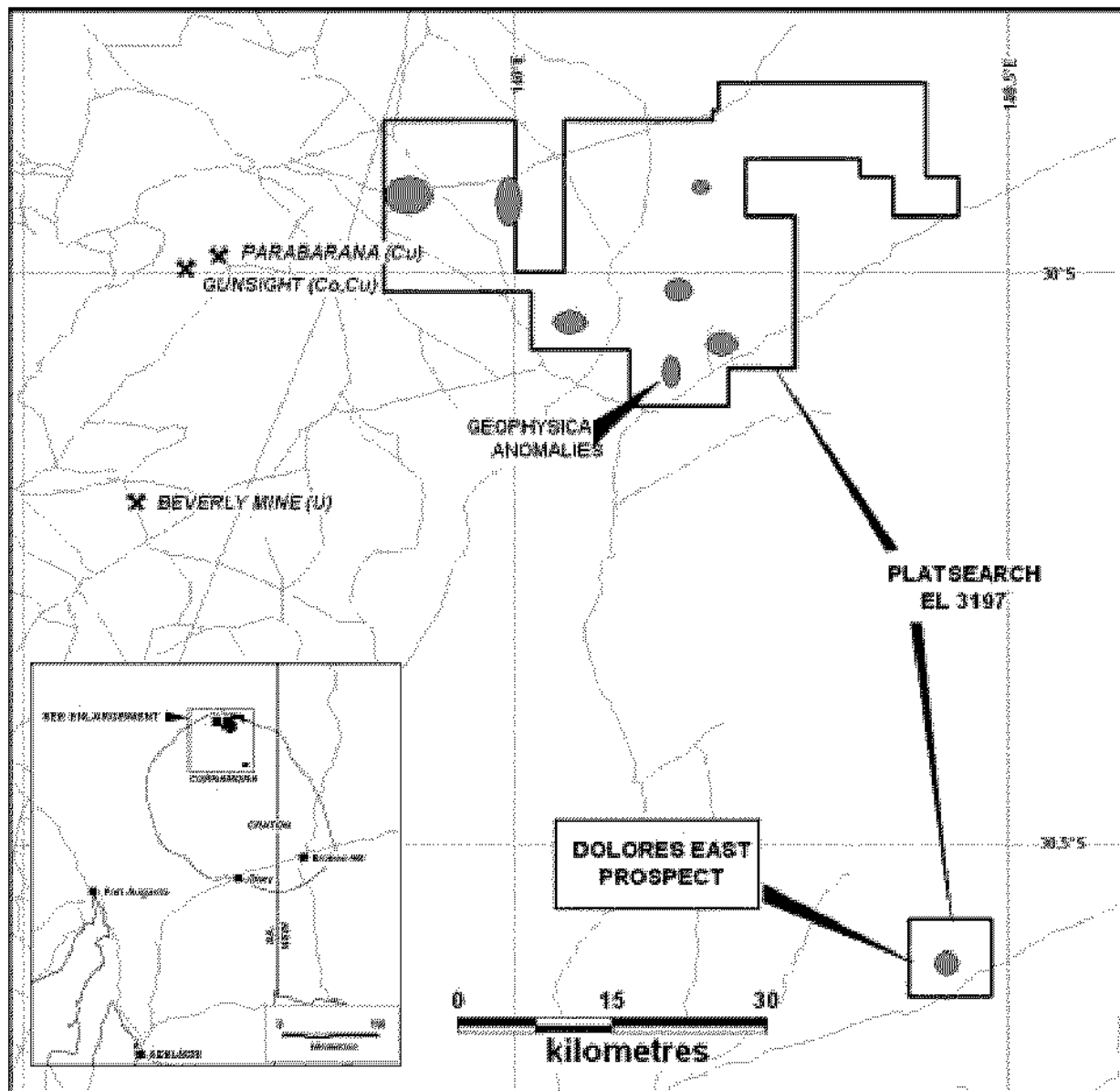
In 2002 previous joint venture partner Inco Resources (Australia) Pty Limited, a wholly owned subsidiary of Inco Limited funded a rotary/core hole (QBE-1) to 504 metres depth at the Dolores East prospect. The QBE-1 hole was targeted on a large discrete magnetic anomaly located on a major continental scale NNW trending structure. The hole entered Proterozoic basement at 307 metres then intersected a volcanic breccia containing abundant haematite, magnetite, pyrite, minor visible chalcopyrite and K-feldspar alteration to the end of the hole at 504 metres. Analyses of core samples from QBE-1 show that the entire core section is anomalous in copper averaging 598 ppm over 192 metres (including four metres at 0.24% and one metre at 1.17%).

There are at least six other similar geophysical targets within the Quinyambie tenement. It is hoped that gravity surveys to be undertaken by Red Metal will assist in the identification of further IOCG targets and the planning of drilling programmes to test these.

PLATSEARCH NL

Bob Richardson
Managing Director

Please direct any questions to Bob Richardson on (02) 9906 5220 or 0414 592 080.



Plan shows location of PlatSearch's Quinyambie tenement EL 3197