



PLATSEARCH NL

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PROGRESS REPORT ON THE MUNDI MUNDI, MULYUNGARIE, ZIGGYS, HOLLIS TANK, YANCO GLEN, COONDAMBO, LILLEYVALE, CALLABONNA AND QUINYAMBIE PROJECTS

Drilling targets have been defined on the **Mundi Mundi** and **Mulyungarie** tenements and drilling is scheduled to commence in early September. Three diamond core holes totalling 1,500 metres are planned and will be funded by Inco (Australia) Resources Pty Limited (Inco). These tenements have emerged as the main focus of Inco's interest following the intersection in 2002 of encouraging zinc-lead mineralisation in two holes IN3 and IN4 located 500 metres apart. Since these earlier drilling results PlatSearch has been undertaking extensive electromagnetic surveys to assist in further drill target definition. Magnetic and gravity geophysical data show the prospective stratigraphy extending over at least a 20 kilometre strike length within PlatSearch's tenements. The electromagnetic results show anomalous responses considered to be due to a combination of pyritic black shales and the massive sulphide horizon. In the Mundi Mundi tenement one hole will be sited between and down-dip from the intersections in holes IN3 and IN4. One hole will be sited on an electromagnetic anomaly located approximately two kilometres north west and along strike from hole IN4. A third hole will be sited in the adjoining Mulyungarie tenement on an electromagnetic anomaly located 5.7 kilometres north-west and along strike from hole IN4. Each hole will be inclined and approximately 500 metres deep. The depth to basement is approximately 150 to 180 metres. However deeper drilling is justified to fully traverse the prospective lithologies.

At the **Ziggys** tenement Inco will also fund two percussion holes scheduled to commence in late September. These holes will provide an initial test of an extensive structure defined by aeromagnetic data where RAB drilling has outlined a persistent and strong geochemical anomaly with values up to 2,900 ppm zinc and 3,000 ppm lead extending over a six kilometres strike length.

The **Hollis Tank**, **Yanco Glen**, **Coondambo** and **Lilleyvale** tenements are of less interest to Inco and it has now withdrawn from these projects. The results achieved on these projects are sufficiently encouraging that PlatSearch is confident of finding other joint venturers to fund ongoing work. PlatSearch is already engaged in discussions with other potential joint venturers for the Coondambo project where recent drill testing of a gravity anomaly encountered very strong haematisation and indications of prospectivity

for iron-oxide associated copper-gold deposits. Other drill targets are being developed for this tenement.

With regard to the **Callabonna** and **Quinyambie** projects, discussions are at an advanced stage with a major company regarding a joint venture to fund further drilling on both of these properties.

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

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