

PLATSEARCH NL

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18 October 2004

The Company Announcements Office
Australian Stock Exchange Limited

WESTERN PLAINS GOLD LTD

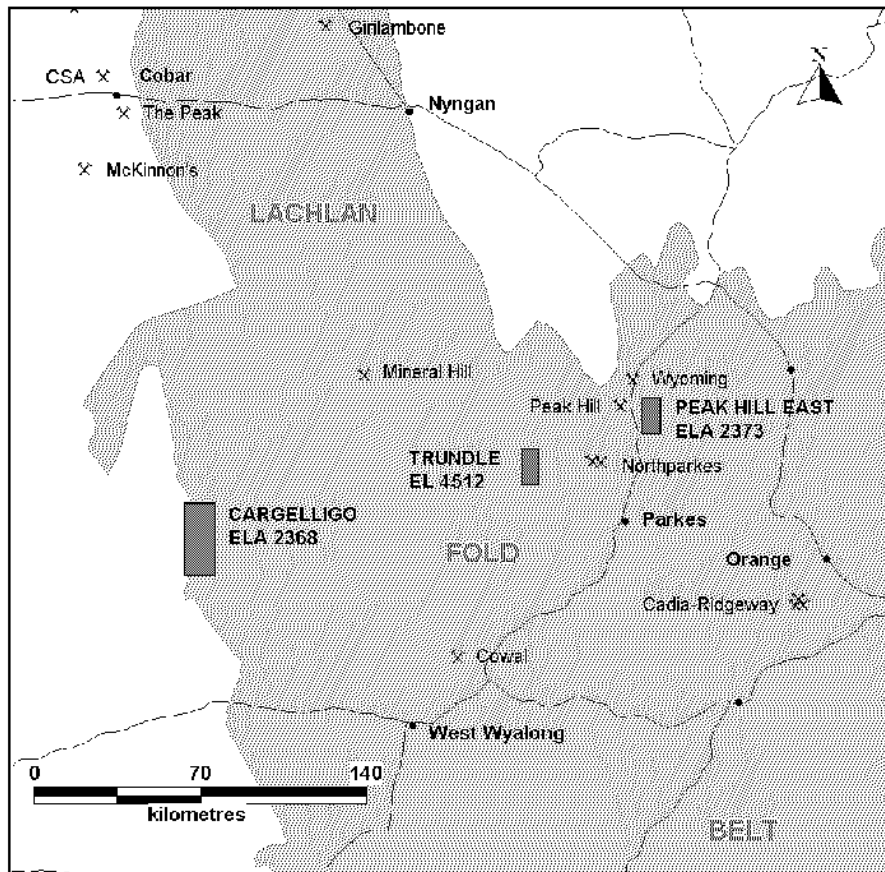
PlatSearch announces the sale of its 80% interests in each of the Trundle EL 4512 and the Redan EL 5795 tenements to Western Plains Gold Ltd (WPG). PlatSearch will retain a royalty interest in both these tenements. In addition PlatSearch has agreed to invest \$80,000 in WPG's pre-IPO fund raising and has entered into an agreement with WPG whereby certain commercial and technical services are being provided by PlatSearch. As a result of the above transactions, PlatSearch will hold 6,750,000 ordinary WPG shares, 1,375,000 WPG options (exercise price 25 cents and expiry 28 September 2009) and 3,475,000 WPG options (exercise price 35 cents and expiry 28 September 2009). WPG intends to list on the Australian Stock Exchange (ASX) and PlatSearch has negotiated for its shareholders to have a priority offer to subscribe for shares. If WPG is successful in its plan to raise \$4.8 million and listing on ASX, it is anticipated that PlatSearch will hold approximately 18% of the shares in WPG.

WPG was formed in June 2004 by Bob Duffin, Gary Jones and Heath Roberts to explore for copper and gold in Central and Western NSW. Bob Duffin, the Chairman of WPG, is a company director and consultant to the mining industry, specialising in mining investment analysis, valuations and the provision of mining sector investment advice. Gary Jones has been an independent consultant to the mining industry for the past 20 years. He has broad ranging experience in volcanic, porphyry and epithermal systems and is credited with the discovery of the Northparkes porphyry copper-gold deposits in central New South Wales while employed as Supervising Geologist, NSW, with Geopeko (Peko-Wallsend Ltd). He also had a major input into the area selection and initial regional exploration programmes that ultimately led to the discovery of the Cowal porphyry gold deposit currently being developed by Barrick Gold of Australia Limited. Heath Roberts is principal of RobertsConsulting Pty Ltd, practiced as a commercial solicitor in Sydney during the early 1990s, before moving into company secretarial practice, corporate advice and fund raising, with a focus on the resource and mining sectors.

WPG has two projects in its own right, Lake Cargelligo and Peak Hill East located in the Lachlan Fold Belt of NSW. Comments on these projects are set out below. As announced to the ASX in late September 2004 PlatSearch signed joint venture agreements with WPG on the K1 and Euriowie projects at Broken Hill, NSW (refer below).

Providing WPG achieves its planned IPO fundraising, substantial work programmes will be completed on these four project areas and PlatSearch will have its significant shareholding in WPG. Furthermore, given the high calibre and experience of WPG's management, PlatSearch is confident that the exploration work conducted on its areas will be executed in a competent manner.

The **Trundle** project area is situated within a regional belt of Ordovician volcanic complexes that occur within the Bogan Gate Synclinorium, a major tectonic belt that is host to several significant gold-copper and gold porphyry deposits including Northparkes, Cowal, Wyoming and the mined-out gold deposits at Peak Hill and Gidginbung. Mineral resources with a combined 8.3 million ounces of gold have been discovered by modern exploration within this belt since 1977. In the Trundle project area, the Raggatt Volcanics are considered to be stratigraphic equivalents of the Goonumbla Volcanics that host the large Northparkes porphyry copper-gold deposits located only 20-25 kilometres due east. Interpretation of aeromagnetic data suggests that the Raggatt Volcanics may have been originally part of the Goonumbla Complex and subsequently displaced to the west by a major north-south trending rift that is now occupied by the Devonian Tullamore Syncline.

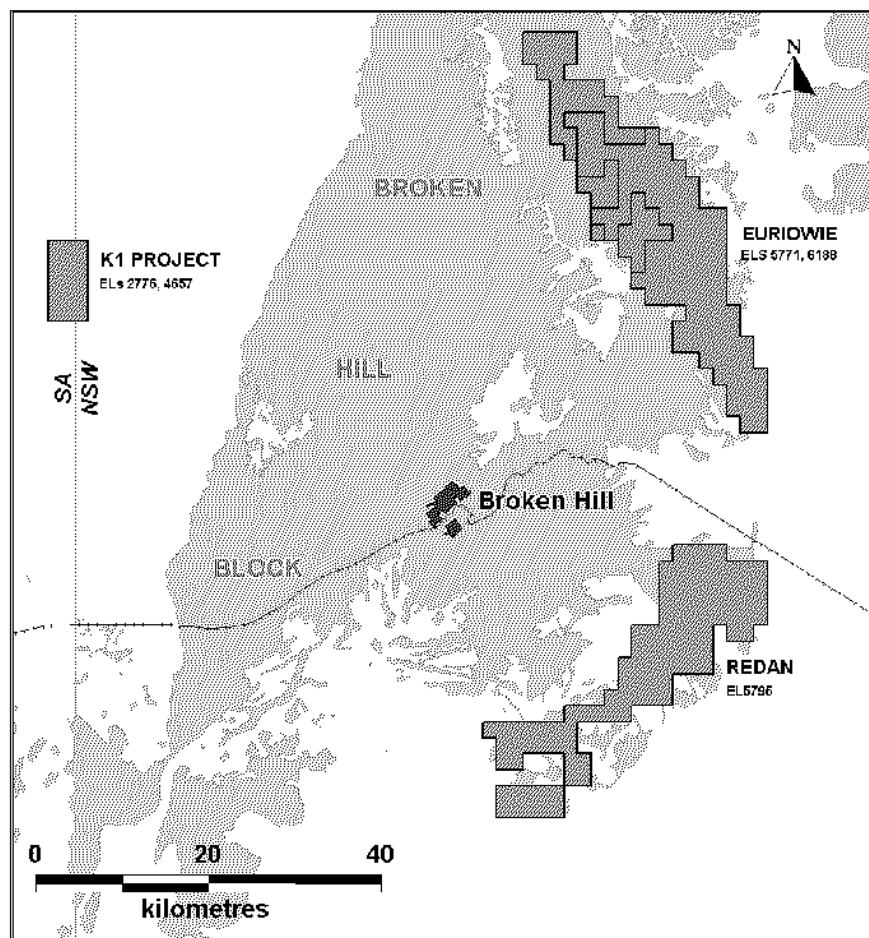


Map shows Western Plains Gold tenements in the Lachlan Fold Belt, NSW

Most of the previous deeper drilling has been wide-spaced and within the immediate contact zones of the intrusive complexes. Many of these holes have encountered significant intersections of gold and copper mineralisation. Interpretation of existing data by PlatSearch and WPG has highlighted the presence of situations that have not been targeted by previous explorers. Also, the small geochemical "footprint" often associated with this style of mineralisation may not have been identified by previous

wide-spaced, air-core and RAB geochemistry. WPG will drill test targets selected on the basis of gravity and magnetic results, together with systematic follow-up of areas where a reinterpretation of existing geology and geochemistry indicates untested potential. A \$360,000 work programme by WPG is planned for the first two years.

The **Redan** tenement is located on the south eastern margin of the Broken Hill Block. Several priority targets have been identified in this area and will be the subject of a substantial work programme including drilling by WPG. Work by previous explorers during 1975-82 concentrated in the northern parts of the Redan tenement where there is more outcrop, although sparse. This area embraces many prospects defined on the basis of outcropping gossans, strongly anomalous geochemistry in soils and RAB drilling results. Within the RAB drilled areas there are extensive zones, kilometres in length, with anomalous copper, lead and zinc. Gold was generally not analysed by earlier explorers. Previous work, including wide-spaced RAB drilling at three prospects Fence Gossan, Chert Ridge and Battery Tank, defines a zone of intermittently outcropping gossans with strongly anomalous copper and gold extending over a nine kilometre strike length. Recent rock-chip sampling by PlatSearch has encountered very high gold values up to 9.49 g/t at Battery Tank and 172 g/t at Chert Ridge. A \$310,000 work programme consisting of detailed RAB drilling, sampling and geological mapping followed by deeper percussion drilling on selected targets is planned for the first two years.



Map shows Western Plains Gold tenements in the Broken Hill region

As reported previously, the **Euriowie** area contains excellent potential for ironstone associated copper-gold deposits and Broken Hill style silver-lead-zinc deposits. There are at least 21 outcropping gossans, many of which carry strongly anomalous base and

precious metals values, but which have been largely ignored or tested in a cursory fashion by previous explorers. Further work by PlatSearch during the year has isolated five priority prospects for the WPG/PlatSearch joint venture. Only one of these prospects has had previous drilling. WPG will undertake a \$430,000 work programme over the next two years consisting of detailed RAB drilling, sampling and geological mapping on the above prospects followed by deeper percussion drilling on selected targets.

The **K1 Project** area covers the Mundi Mundi tenement EL 4657 and part of the Mulyungarie tenement EL 2776. The principal focus for the joint venture will be the K1 magnetic anomaly which is considered to be caused by a large ironstone body with potential for stratabound, Cloncurry style copper-gold mineralisation. WPG will complete a \$280,000 programme within the first two years including at least two inclined core holes.

Through its shareholding in WPG, PlatSearch will have an interest in two WPG projects, Lake Cargelligo and Peak Hill East. The **Lake Cargelligo** area is prospective for shear-hosted polymetallic-gold mineralisation of similar style to that at the Peak Mine near Cobar. It embraces a broad, well defined, 14 kilometre long, north-south oriented shear zone, within which the rocks are mineralised and intensely altered at three separate prospects. At the Achilles I prospect a 1,300 metre by 250 metre zone of advanced argillic alteration contains a number of shear-parallel lenses of strong silicification and quartz veining. Rock-chip sampling and grid-based soil sampling by a previous explorer defined strong copper, lead and zinc with lesser gold, molybdenum and arsenic anomalies coincident with the mapped zone of alteration. Previous drilling has not tested these anomalies.

The **Peak Hill East** tenement covers a 95 square kilometre area located on the eastern side of the Forbes-Parkes-Peak Hill-Tomingley gold belt. This well mineralised zone has a significant historical gold production of one million ounces. Drilling by Newcrest on the adjacent tenement along strike and to the south of the Peak Hill East tenement has discovered a new gold-copper porphyry system at the Buryan prospect. Promising results published include a 196 metre intercept of 0.16 g/t gold and 0.26% copper. Previous exploration in the WPG Peak Hill East tenement has delineated several large quartz-sericite-pyrite alteration zones but these were not followed up with committed deeper drill testing programmes.

PlatSearch is particularly pleased to announce these arrangements. PlatSearch believes that the potential for new gold and copper discoveries in its areas in Broken Hill and the Lachlan Fold Belt is outstanding. The relationship with WPG will greatly improve the odds of discovery in PlatSearch's favour.

PLATSEARCH NL

Bob Richardson
Managing Director

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