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16 October 2006

Company Announcements Office
Australian Stock Exchange Ltd

LILLEYVALE PROJECT, QUEENSLAND IRON OXIDE COPPER GOLD (IOCG) TARGETS

JOINT VENTURE AGREEMENT WITH WCP

PlatSearch is pleased to advise the signing of a joint venture agreement with WCP Diversified Investments Ltd (WCP) on the Lilleyvale Project located approximately 200 kilometres south south-east of Mt Isa, Queensland. Lilleyvale is a large scale IOCG alteration system with considerable magnetic and gravity anomalies which are ready for WCP to commence a drilling programme as soon as possible.

The key terms of the agreement are as follows:

- WCP has agreed to a minimum expenditure of \$250,000 within 12 months and before it can exit. WCP will be commencing a drilling programme as soon as is practicable;
- WCP may earn a 60% interest by spending \$1.5 million within three years;
- On WCP earning a 60% interest, the parties will contribute to expenditure on a pro-rata basis or PlatSearch may elect to dilute to a 15% interest free-carried to a bankable feasibility study. In the event of a bankable feasibility study, PlatSearch may either contribute pro rata to development (15%) or dilute to a 2% Net Smelter Royalty.

Lilleyvale is a large mineralised iron oxide breccia system that has been discovered and only partly explored by two deep diamond drillholes, 801 metres (LVD001) and 777 metres (LIL-001) drilled by BHP (1994) and the PlatSearch/Inco joint venture (2001) respectively. The drilling confirmed the system possesses many of the features of Cloncurry-style iron-oxide copper gold (IOCG) and Broken Hill Type lead-zinc mineralisation. Importantly, the system is complex and shows high lithological and geochemical variability enhancing the likelihood that ore-grade conditions may be present elsewhere in the large system.

The project lies on the northern fringe of the Eromanga basin where Mesozoic and Permian rocks overlay Lower Proterozoic basement rocks belonging to the Eastern Succession fold

belt of the world-class Mt Isa Inlier mineral province. These holes were drilled into each of two intense magnetic anomalies located along the margin of a regional linear gravity trough, broadly coincident with a large multi-stage intrusive granitic complex called the Williams Batholith. The Cannington (lead, zinc, silver), Osborne (copper, gold), Selwyn (copper, gold), Mt Elliott (copper, gold), Eloise (copper, gold) and Ernest Henry (copper, gold) mines are all located along the margins of this linear trough that extends for nearly 300 kilometres to the north-west.

Hole LVD001 targeted the northern magnetic anomaly and passed into Proterozoic basement at 552 metres where it intersected a thick sequence of iron oxide and sulphide bearing pervasively altered granitic rocks. Assays of the better mineralised drill core returned copper values of up to 1,200ppm (0.12% Cu) over the sampled 5 metre intervals with only low gold values.

After entering Proterozoic basement at 572 metres, drill hole LIL-001 targeting the southern magnetic anomaly, intersected a 200 metre interval of a large altered ironstone system containing magnetite-pyrite mineralisation in a banded and brecciated quartz-feldspar-magnetite rock. Between 673 and 730 metres there is a wide interval of low-grade copper-gold mineralisation, grading 46 metres at 0.2% Cu, 0.112 g/t Au, including 11.1 metres at 0.49% Cu, 0.318 g/t Au and 1.2 metres at 1.46% Cu and 1.07 g/t Au.

Subsequent to drilling PlatSearch has conducted a detailed gravity survey over the prospect area and several anomalies interpreted to be caused by dense basement features were clearly defined. These gravity anomalies roughly coincide with the magnetic anomalies, but in detail, have not been tested by either of the two drill holes.

While the depth-to-basement and consequent costs of exploration are considerable, the scale and intensity of the alteration, the size of the magnetic and gravity anomalies (combined area of approximately 33 km²) and the thickness of the mineralisation all underline the potential of the area.

WCP will now target these gravity features with deep RC pre-collar and diamond tail drilling with a view to gaining further information that will greatly enhance the likelihood of using mineralisation indicators to identify an economic deposit. The licence is on freehold land and exploration can commence immediately. The targets are close to a bitumen road and are easily accessible.

Bob Richardson
Managing Director

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

The information on mineralisation contained in this announcement accurately reflects information compiled by R L Richardson, BSc, BE (Hons), MAusIMM, MASEG, Managing Director and a part-time employee 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 announcement.

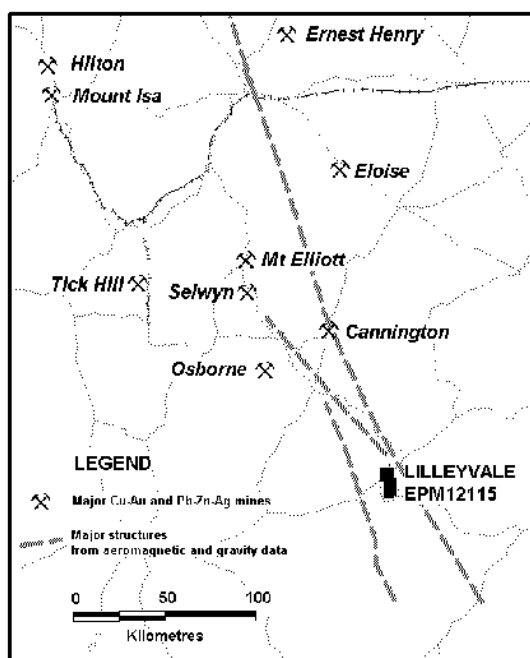


Figure 1. Location map

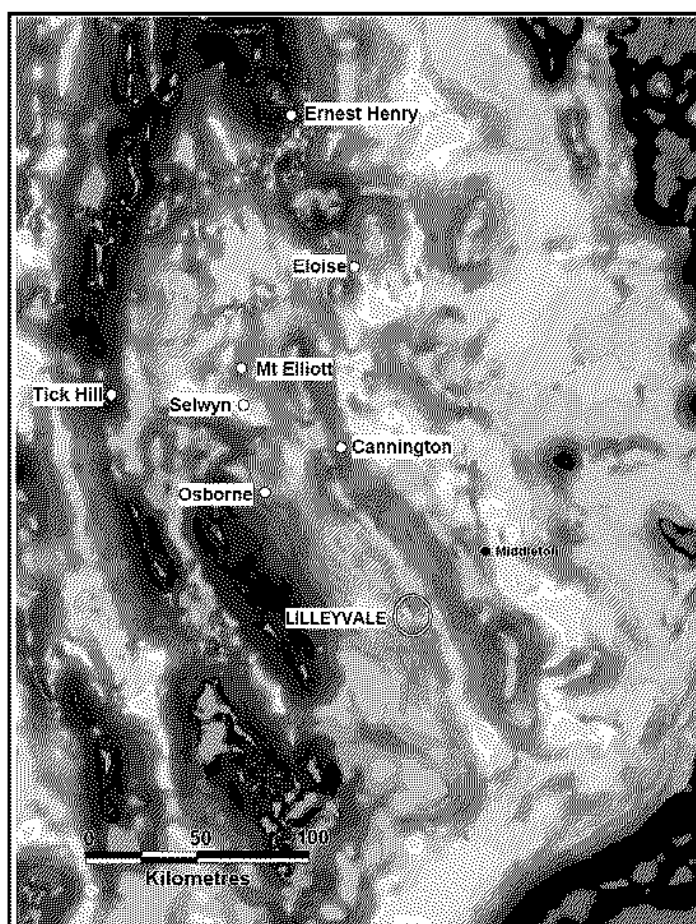


Figure 2. Image of regional gravity from Geoscience Australia's database showing the location of the major copper-gold and lead-zinc-silver deposits associated with the gravity trough in the Eastern Succession Fold Belt of the world class Mt Isa mineral province.