



NiPlats

Drilling Update

ANNOUNCEMENT

1 October 2010

HIGHLIGHTS

- RC Drill Rig has completed 4,400 metres in 30 holes at West, Blue and Green veins;
- Diamond Drill Rig has completed over 720 metres in two holes at G and West veins;
- Drill rigs moving to copper/gold/silver targets in October (Eiffler, Gray's and Hayden) following completion of geophysical surveys;
- Drilling and geophysical surveys running on schedule;
- Diamond Rig has drilled multiple narrow quartz-sulphide stockworks.

NiPlats Australia Limited ("NiPlats" or "the Company") (ASX: NIP) is pleased to be able to provide an update on the 2010 Drilling Programme.

DRILLING PROGRESS

Reverse Circulation ("RC") Drill Rig has completed 4,400 metres in 30 holes at the West Vein, Blue Vein and Green Vein targets, and is currently drilling at Green Vein (Figure 1).

Diamond Drill Rig has completed one hole at the G Vein target for 522.1 metres (azimuth 105°, dip 60°), and is currently drilling the West Vein target at about 200 metres downhole depth (Figure 1).

Drilling is progressing on schedule with meterage rates at expected levels and no significant interruptions to drilling. Early stage expectations are that a minimum of 10,000 metres of RC drilling and 5,000 metres of Diamond Drilling are achievable prior to the onset of the wet season. The Board have authorised up to 5,000 metres further drilling (dependent on the weather). This extra meterage is more likely to be comprised of RC Drilling.

DIAMOND DRILLING UPDATE

The Diamond Drill Rig commenced drilling on the G Vein structure of the King Fault Zone, east of the ABCE fluorite deposit (SDH2010-001, Figure 1), and was drilled to 522.1 metres.

It is important to note that the diamond drilling completed so far is part of the Exploration Incentive Scheme in which the State government funds 50% of the direct drilling costs. The **early drill hole locations are not at the highest priority copper/gold/silver targets** (which will be drilled following completion of geophysical surveys in mid-October).

The SDH2010-001 hole targeted outcropping low grade fluorite veins/breccia and ironstone gossan which assayed up to 2350ppm Cu. Visual inspection of the core has observed **multiple narrow veins of quartz-sulphide mineralisation** and wider intervals of both massive fluorite veins and stockworks. Work is underway to identify the sulphide, which has been tentatively **logged as chalcopyrite (copper sulphide)** with lesser pyrite (iron sulphide). (See Table 1 for further details).

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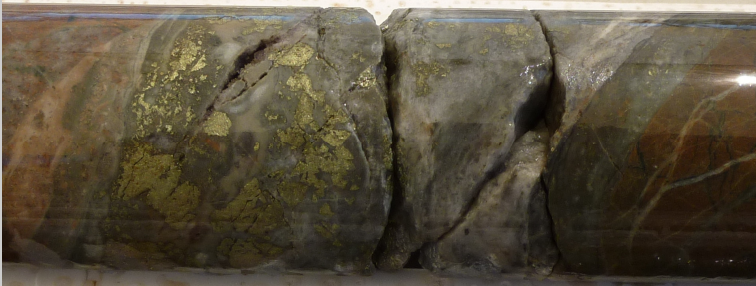
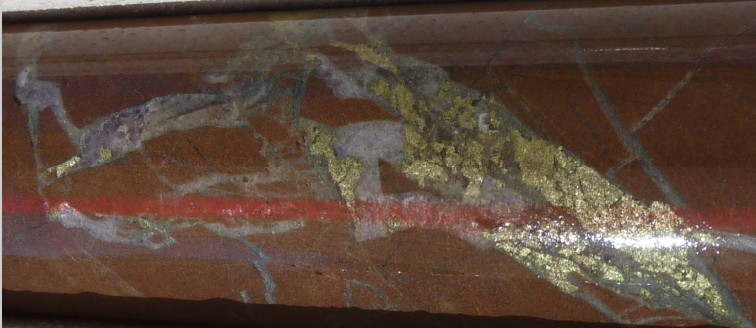
Hole	Depth	Description	Core Photography
SDH2010-001	188m	Quartz-sulphide vein (tentatively logged as Chalcopyrite)	
SDH2010-001	203m	Quartz-fluorite-sulphide vein (tentatively logged as Chalcopyrite)	

Table 1 illustrates some of the styles of sulphide and fluorite mineralisation observed in SDH2010-001.

Significantly, diamond core drilling the G vein fault structure has returned four important observations:

- A **greater number of thicker (maximum 10cm) quartz-carbonate-sulphide** veins and fluorite veins and breccia in several and wider intervals, including a 22.4 metre thick interval of massive and stockwork fluorite veining.
- The G Vein fault was thought to delimit the eastern edge of the King Fault Zone, but some of the best fluorite and sulphide mineralisation in this hole is found to extend to the east of the G Vein structure below the Cambrian Antrim Plateau Volcanics.
- The **sulphide and fluorite mineralisation are all part of a mineralising event** where fluorite is the last stage.
- Supports the fluorite deposit model of a series of sub-parallel massive and stockwork zones in the east dipping Lansdowne Arkose within the King Fault Zone, thereby increasing the potential of delineating additional fluorite resources which are currently confined to the western fault structure of the King Fault Zone.

The multiple intersections of sulphide mineralisation observed in the G vein target are a very positive sign and justifies the decision to test this structure which has a strike extent of 20 kilometres.

Core will be transported to Perth for cutting and assay.

RC DRILLING UPDATE & ASSAYS

The RC Drill Rig has been testing targets in the southern and central parts of the Speewah Dome at West, Blue and Green veins, and is currently drilling Green vein.

Initial assay results are expected to be reported mid-October and continue into first quarter 2011. Shareholders should expect regular reporting of results throughout this entire period.

DRILL RIGS TO MOVE TO MORE PROSPECTIVE TARGETS IN OCTOBER

Drilling commenced on southern targets and has begun moving systematically northwards. The primary targets of Eiffler and Gray's Vein/Hayden will only be drilled once the geophysical surveys (gravity, IP and SAM) have been completed and results received. The reason for this is because there is potential for

drilling to interfere with the geophysical surveys and to allow the geophysical survey interpretations to assist drill hole location and orientation.

GEOPHYSICAL STUDIES

NiPlats advises in respect of each of the following geophysical studies as part of the 2010 Exploration programme:

- Gravity - The survey to cover some sites of known mineralization associated with major structures (Green Vein, Gray's Vein and Willmott) **has been completed** with the contractor having left site and final data received in the NiPlats office. The data is currently being reviewed and the Company will report on results shortly.
- Induced Polarisation (IP) Survey at Gray's vein, Haydn and Eiffler is expected to be completed by the end of the first week of October. Results will be reported following analysis of data.
- Sub Audio Magnetics (SAM) Survey at Gray's vein, Haydn and Eiffler will commence on completion of the IP survey, with completion in October.

DIRECTOR'S COMMENTARY

The Board is pleased to report the progress of the drill rigs with the two core positive results being:

- **Multiple sulphide intersections along the King Fault provide more evidence supporting a large mineralising event within the Speewah Dome.**
- Drilling progress and completion of the geophysical surveys is running on schedule.

Richard Wolanski
Director



NiPLATS BACKGROUND

NiPlats Australia Limited ("NiPlats") is a mining and exploration company whose **prime focus is the definition and development of its copper/gold/silver and vanadium discoveries in the East Kimberly region of Western Australia.** Newly discovered copper/gold/silver prospectivity is a major focus of the exploration programme in 2010 in addition to completing pre-feasibility studies on the vanadium project.

Recent copper/gold/silver exploration success includes the following assays from surface rock chip samples:

- Multi-element sample assays of:
 - 8.26% Cu, 4.28 g/t Au & 26 oz/t Ag (Gray's Vein Prospect);
 - 8.14% Cu, 4.97 g/t Au & 24 oz/t Ag (Hayden Prospect);
- Copper sample assay at 16.5% Cu;
- Gold sample assay at 4.9 g/t Au;
- Lead sample assay of 11.1% Pb;
- Identification of multiple drill targets for 2010 drilling campaign.

Focus on Copper/Gold/Silver exploration along 80km of fault zones and splays commenced in May 2010. The programme will include Reverse **Circulation/Diamond Core drilling with total metres authorized up to 20,000 metres with the primary objective to maximize the number of targets tested during the current season.**

The tenements contain **Australia's largest vanadium in magnetite deposit with combined Measured, Indicated and Inferred Resources totalling 3,159 Mt at 0.30%** (at 0.23% V₂O₅ cut-off grade) in three deposits.

This includes a high grade zone of 434 Mt at 0.37% (at 0.23% V₂O₅ cut-off grade) at the Central Deposit, comprising a Measured Resource of 115 Mt at 0.37% V₂O₅, Indicated Resource of 85 Mt at 0.38% V₂O₅ and an Inferred Resource of 234 Mt at 0.37% V₂O₅.

Pre-feasibility studies are currently being completed on the vanadium deposits including a focus on tenure, access and environmental issues. The purpose of these studies is to attract capital to fund bankable feasibility studies, development or sale of the vanadium project. **Initial conceptual net present value of the vanadium project is in excess of AUD \$500 million.**

The tenements also contain a high-grade, high-quality fluorite deposit with Indicated and Inferred Resources totalling 6.7 Mt at 24.6% (at 10% CaF₂ cut-off grade), comprising an Indicated Resource of 4.1 Mt at 25.3% CaF₂ and an Inferred Resource of 2.6 Mt at 23.6% CaF₂.

NiPlats Australia Limited has a 100% interest in three granted Mining Leases (M80/267, M80/268 and M80/269) and two granted exploration licences (E80/2863 and E80/3657) and one exploration licence application (ELA80/4468) covering 575 km² located about 110 km southwest of Kununurra.

Competent Persons Statement

Mr Ken Rogers, BSc (Hon) Geology, Member of the Australian Institute of Geoscientists, Chief Geologist of NiPlats Australia Limited, compiled the technical aspects of this report relating to the Speewah Project and content of this release. 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 (the JORC Code). Mr Rogers consents to the inclusion in the report of the matters in the form and context in which it appears.

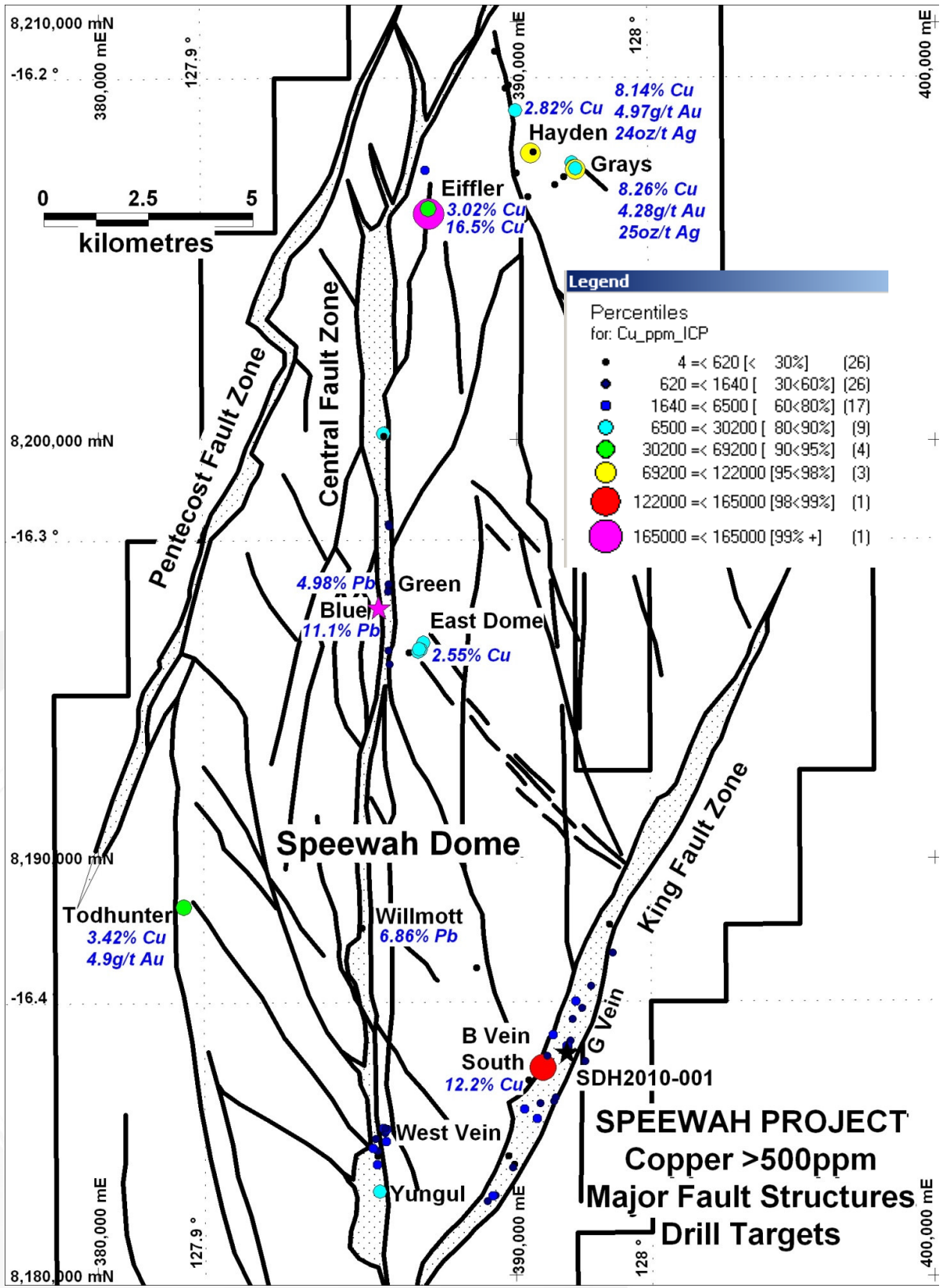


Figure 1: Location of surface rock chip copper anomalies >500ppm Cu within the Speewah Dome, showing the main structural target zones, and the location of SDH2010-001 (black star) and other drill targets.