Information Sheet No. 4

This Information Sheet is the fourth in a series designed to keep you up to date with developments in Catalina Resources PLC, appraise you of results achieved and inform you of our plans for future work. These data will also be added to the Catalina web site www.catalinaresourcesplc.co.uk in the near future.

Progress at individual Projects:

1. **Blanca de Huequi**: platinum group metals and gold.

The bulk samples recovered during the recent sampling exercise at Huequi are being treated in a specialist laboratory in Santiago. The samples have been re-screened and the material greater than 1 mm in size has been removed and stored. Material less than 1 mm is being passed through a series of spirals to collect a concentrate containing all the heavy minerals (see photograph below in which the procedure is being inspected by SRK principal geologist, George Even).

Staff from SRK Consulting have visited and inspected all exploration activities in the field and all laboratories where chemical analyses and the preparation of concentrates have been undertaken. This will allow SRK to prepare a "Competent Persons Report" on Catalina's activities when required.

Figure 1: The spirals and shaking table being used to recover the heavy mineral concentrate in the sample treatment laboratory in Santiago.

Both platinum and gold are very dense, a property that permits their recovery with the use of relatively simple mechanical processes. The concentrate produced by the spirals has been passed over a shaking table (to the right of the spirals in the photograph) to produce a heavy mineral concentrate for chemical analysis.

Visual examination of the concentrates recovered to date has confirmed the presence of gold in the samples and the presence of a dark grey metallic powder and grains up to 1.5 mm. Chemical analyses will confirm whether this is platinum.

2. **Kahuna**: copper, cobalt and gold in the Coastal Ranges

The ground magnetic survey was completed on a grid measuring 1.2 km by 3.2 km. A total of 70 km were surveyed on lines spaced 50 m apart. The induced polarization (IP) survey was also completed and a total of 27 km of data were acquired with a gradient array. Three 1-km lines were surveyed in a more detailed follow-up survey with a “multi-array” consisting of both pole-dipole and multi-bipole gradient array data.

The magnetic data show multiple narrow anomalies that are probably due to the many dykes, structures, and shear zones in the area. Mafic dykes appear to cause narrow, positive magnetic anomalies indicating higher magnetite content while the shear zones and some structures appear to correlate with negative magnetic anomalies indicative of lower magnetite content. Maps show lineaments with multiple orientations.

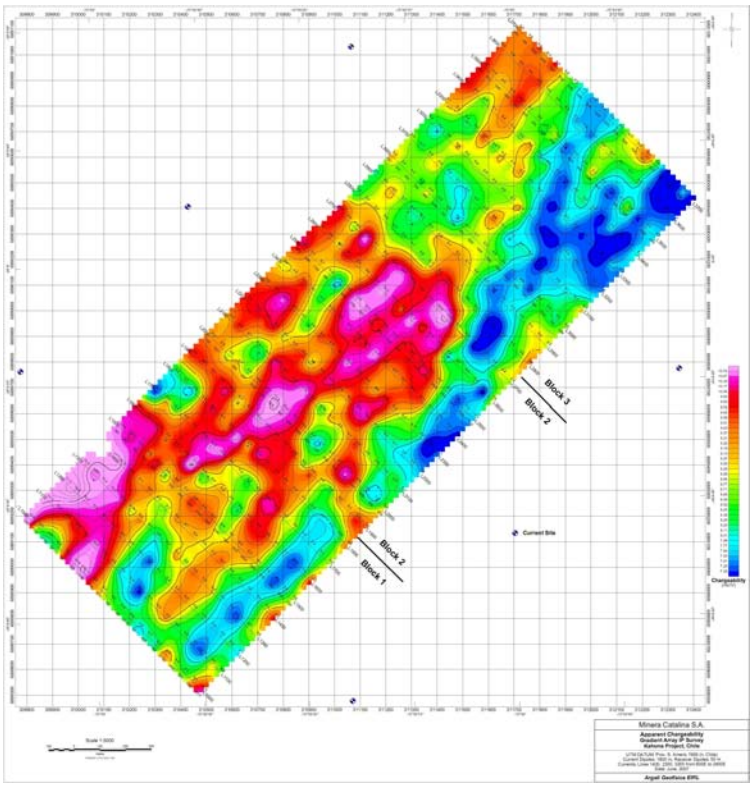

Figure 2: Map of Apparent Chargeability – Kahuna IP survey. The old Carrizal Alto mining area lies to the northeast

The principle orientation of the shear zones is to the northeast - towards the Carrizal Alto area where similar structures were exploited previously for copper and cobalt. However, there are also several trends to the northwest - thought to be fault zones that offset the mineralised shear zones slightly. A north-south trend is probably due to dykes.

Maps from the IP gradient resistivity data outline several of the prominent shear and structural zones that can be traced along strike to Carrizal Alto.

A strong IP anomaly has been located in the west of the survey area. It also correlates with a shallow strongly conductive zone and warrants further attention. A moderately strong chargeability anomaly is outlined further east. The anomaly correlates closely with a gradient array anomaly.

3. La Falda: epithermal gold, copper and silver in the Maricunga Belt of the Andean Cordillera.

The two hills making up the original Falda Project (Falda Norte and Falda Sur) show a distinct colour anomaly due to advanced argillic alteration in a well-defined lithocap – typical of that developed over high sulphidation epithermal mineralisation. In the Maricunga Belt, such mineralisation is often associated with large gold-porphyry deposits, e.g. Refugio, Lobo-Marte, Cerro Casale, etc. which contain substantial resources of gold.

The final report on the recent geological mapping and sampling programme, incorporating all the analytical, petrological and mineralogical data, has now been received. It has confirmed the presence not only of the structures with potential to host epithermal mineralisation at depth in the original La Falda project but also a new discovery of a porphyry intrusive near La Falda with banded quartz veins carrying highly anomalous gold values, similar to those identified at the Refugio and Volcan gold-porphyry deposits.

The exploration potential of La Falda is therefore much greater than previously thought. A follow-up survey to determine the extent of the gold-bearing vein structures is planned to take place as soon as access can be safely gained in the spring.

An offer to form a joint venture on the Falda project has been received from a major mining company operating in Chile although this has been deferred until a clearer view of the full potential of the project has been obtained.

Figure 3: Widespread rock alteration within the La Falda claims. Falda Sur is on the left of the photograph. The location of the newly discovered gold-porphyry is on the right.

4. **La Perla**: high-level copper, silver and gold in an epithermal environment.

Assay results for many of the samples taken during the six-hole reverse circulation drilling programme have now been analysed. Anomalous and ore grade copper values were returned from the three boreholes (PR1, PR4 and PR5) which intersected the main mineralised structure in the area. These values were also associated with elevated silver grades. Analyses for gold on these intersections have not yet been completed.

The other three boreholes at Perla were directed to intersect other ancillary structures. Although they intersected some zones with sulphide mineralisation with elevated copper and silver values, ore-grade mineralisation was not encountered. Gold assay results are also awaited for these intersections.

Borehole PR3 was to have continued into the main mineralised structure but failed to reach it. The hole was stopped for technical reasons, having intersected an argillic zone with water just short of where the main structure should have been intersected. The final samples in the hole contain anomalous silver values which, together with the strong alteration of the wall rocks, suggest that a mineralised body lies close to the end of the hole.

The positive results to date justify the continuation of the drilling programme, especially along the strike of the main mineralised structure, which continues to be worked by shallow artisan mining operations for copper oxides. The next phase would incorporate diamond drilling in order to provide a better sample on which to study the geology and structure of the mineralisation.

5. **San Antonio – San Juan:** copper and gold

A programme of reverse circulation drilling has been completed at both the San Antonio and San Juan Prospects. The drillholes were sited to intersect the mineralised shear zones at depths between 100 to 150 metres. The structures intersected widespread sulphide mineralisation at both sites, as planned. Some copper mineralisation was intersected but the assay values indicated that the grades mined at surface do not continue in depth. No further expenditure is planned and the option-to-purchase agreement has not been renewed.

As before, this information sheet is a brief summary. If you want to know more about a particular topic or have any questions, please give me a call or send me an email at psb@catalinaresourcesplc.co.uk.

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