

## Information Sheet No. 5

This Information Sheet is the fifth 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](http://www.catalinaresourcesplc.co.uk) in the near future.

### Progress at individual Projects:

#### 1. Blanca de Huequi: Platinum Group Metals and gold.

In Information Sheet No 4, I wrote ....“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.”

Preliminary assays have just been received and have confirmed the presence of gold. However, no platinum mineralisation has been reported from the samples analysed.

Elevated levels of chromium in the samples probably mean that the “dark grey metallic powder and grains” mentioned previously is due to the presence of the mineral chromite. This is not surprising as chromite is common in ultramafic rocks such as those under investigation on the Huequi Peninsula.

The absence of platinum in the samples analysed is not yet understood. It may be significant that the pits from which the samples were taken are on a different raised beach (the lowermost and youngest of the series) and over 100 metres to the north of the pits from which platinum was reported after the previous investigations in 1931. The original pitting area could not be reached in May 2007 as heavy rain had rendered the intervening ground impassable and prevented the excavator reaching the sites.

Two main aspects require further work; the assaying methods used in 1931 must be checked and the original pitting sites must be sampled.

### Assay Methods

In the next few weeks, selected samples will be re-assayed using neutron activation analyses (NAA) - a method of determining the concentrations of elements in a wide variety of materials by first exposing the samples to suitable nuclear particles in a nuclear reactor and then determining element concentrations by measuring the gamma-rays they emit. This is a highly sensitive analytical method which is applicable to a large number of elements and will determine not only if there is a problem using the standard assaying methods for platinum but also whether another metal was mistaken for platinum in the 1930 assays.

### Pitting

With access improving as the Chilean summer approaches a brief pitting programme will be undertaken. Pits will be hand-dug immediately adjacent to selected 1931 pits reporting medium to high platinum values. Samples will be returned to Santiago and assays will be undertaken using appropriate assay techniques.



Figure 1. The white circles represent the sites of the pits dug in May 2007. The red circles are the sites of the 1931 pits. The new pitting programme will concentrate on Lines H and I.

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

No fieldwork has been undertaken recently. An attempt was made to reach the area in early October but snow on the road prevented access.



Figure 2. Access to La Falda prevented by snow and ice

A mapping and sampling programme will be completed when access can be gained to the area. This is likely to be within the next four to six weeks.

The purpose of this work will be to obtain further data on the project in order to optimise the Company's position in future joint-venture discussions. Two approaches have been received to date and this work is planned to support our position in future negotiations.

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

The full assay results for the six-hole reverse circulation drilling programme have now been received and are presented below. 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.

| Hole   | From (m)   | To (m) | Length (m) | Cu (%) | Au (g/t) | Ag (g/t) |
|--------|--|--------|------------|--------|----------|----------|
| PR 1   | 7.0  | 9.0    | 2.0        | 0.36   | 0.03     | 1.85     |
| PR 1   | 59.0   | 68.0   | 9.0        | 0.15   | 0.01     | 1.13     |
| PR 1   | 109.0  | 112.0  | 3.0        | 0.46   | 0.05     | 8.37     |
| PR 2   | No values of interest; No appreciable sulphides  |        |            |        |          |          |
| PR 3   | 215.0  | 216.0  | 1.0        | <0.01  | 0.11     | 3.80     |
| PR 3   | PR 3 was stopped at 216 m due to drilling difficulties in soft, argillic alteration. The presence of elevated values in the last metre and the type of alteration probably indicate proximity to mineralisation. |        |            |        |          |          |
| PR 4   | 101.0  | 116.0  | 15.0       | 0.34   | 0.01     | 1.89     |
| PR 5   | 29.0   | 66.0   | 37.0       | 0.47   | 0.06     | 9.41     |
| PR 6   | No values of interest; No appreciable sulphides  |        |            |        |          |          |
| ST-01G | 30.5   | 57.0   | 26.5       | 1.11   | 0.27     | 25.35    |

The positive results to date justify the continuation of the drilling programme along the strike of the main mineralised structure. Mining operations on the main Perla structure continue in the Cautivo concession (a small concession enclosed by the Perla Project area lying midway along the Perla Structure) and new mine workings have just started exploiting the same structure in the Blanca concession to the north-west.

The next phase of Catalina's exploration would incorporate diamond drilling in order to provide better samples on which to study the geology and structure of the mineralisation.

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

Geological mapping was completed in the area and checked in the field against the results of the recent geophysical surveys.

#### **5. Corporate Matters**

One of the principal objectives of the Board of Catalina Resources PLC is to create liquidity in the issued share capital of the Company either by obtaining admission of the Company's shares to the Alternative Investment Market or by entering into an arrangement with a listed company. Efforts continue on the former and discussions are currently underway with a listed company on the latter.

The Board of Directors has resolved to offer 66,000 new ordinary shares of £3.00 each (partly-paid), to be offered pro rata to shareholders, raising in total £198,000 specifically for the purposes of maintaining option payments on mineral properties, continuing exploration on selected mineral properties, starting the process of admission of the Company's shares to AIM and for working capital purposes

The offer is to subscribe for shares with payment in two instalments; the first payable by 9 November 2007, the second payable by 31<sup>st</sup> January, 2008. The first instalment will raise £99,000. Shareholders should return the appropriate documents before the closing date of 9 November 2007.

Shareholders may accept the offer in whole or in part. By subscribing for Instalment 1 shareholders will become liable to pay the balance for Instalment 2. If a shareholder fails to pay Instalment 2, the partly-paid shares could be forfeited. Shares will be issued partly-paid after the first instalment of £1.50 per share is paid.

This Issue has been underwritten by Phipps & Company Limited for a fee of 2% which will be paid in shares of the Company.

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](mailto:psb@catalinaresourcesplc.co.uk).

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**Catalina Resources PLC**