

NiPlats Australia Limited

Drilling update – Early days but key targets and increasing news flow now only weeks away

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News

NiPlats Australia Limited ("NiPlats") provided its first drilling update since the commencement of the current programme on Sep 6th. So far 4,400m of RC drilling and 720m of Diamond drilling has been completed, with drilling and geophysical surveys running on schedule. Given the early stage nature of drilling activities, unsurprisingly no assay results have yet been received.

RC drilling has completed 30 holes at the West Vein, Blue Vein and Green Vein targets, whilst Diamond drilling has completed a 522.1m hole at the G Vein target and is currently drilling the West Vein target at ~200m downhole depth (refer to Exhibit 3 for details). It is important to highlight that Diamond drilling to date is part of a Government Scheme and 50% funded by the State. Whilst not being in the most prospective gold/base metals region, with no traces of copper at surface, the visual drill core has observed multiple narrow veins of quartz-sulphide mineralisation and wider intervals of both massive fluorite veins and stockworks.

Early stage expectations are that a minimum of 10,000m of RC drilling and 5,000 Diamond drilling will be completed before the onset of the wet season, but the board have authorised up to 5,000m of further drilling (dependent on the weather).

Analysis

The multiple intersections of sulphide mineralisation along the King Fault are a positive sign and important in gaining a better understanding of the regional model of mineralisation. The sulphide and fluorite mineralisation are part of a mineralising event where fluorite is the last stage. Whilst there are no traces of base metal mineralisation at surface, the sulphides at depth provide more evidence supporting a large mineralising event within the Speewah Dome and provide a greater level of confidence that drilling of the more prospective targets to the north will be successful in upcoming months.

Other key points from this press release are: that drilling and geophysics activities are on schedule; more metres will be drilled in this programme if weather permits; RC drilling is currently at the Green Vein target which is entering the more prospective region of the Dome for gold and base metals. Drilling commenced on the southern targets and has begun systematically moving northwards. 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 and will target the Eiffler and Gray's Vein/Hayden prospects. We believe geophysical studies (including Gravity, Induced Polarisation, Sub Audio Magnetics) and the compilation of recent soil samples continue to provide promising results and further refine targets for the upcoming drill programme.

New Events/Valuation Triggers

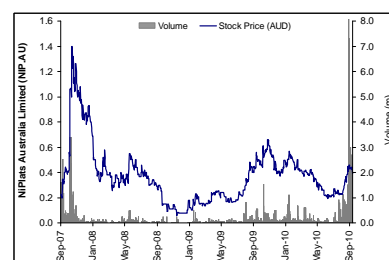
Cape Lambert has continued to reduce its stake in NiPlats at prices which will not be less than A\$0.40/sh (as per their ASX release on Sep 15th). We believe their block is now only ~9million shares outstanding (was previously 32.5m in mid Sep'10), and we expect removal of this overhang, further details on ongoing exploration activities and drilling of higher priority targets in the upcoming weeks to be a catalyst for NiPlats' share price.

OCEAN EQUITIES

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1st October 2010

Market Cap	A\$44.3m
Listing:Ticker	ASX: NIP
Share Price	A\$0.39
Shares o/s	113.66m
52 week High/Low	A\$0.685 / 0.195
Net Cash/(Debt)	~A\$6m



Highlighted Related Research:

16th Sep'10 NiPlats Australia Ltd:

"A New Copper Province in Australia's Kimberley – Initiation of Coverage"

8th Sep'10 Weekly Review: "ON THE RADAR:

NiPlats Australia One To Watch, With New Drill Program Commencing At Speewah"

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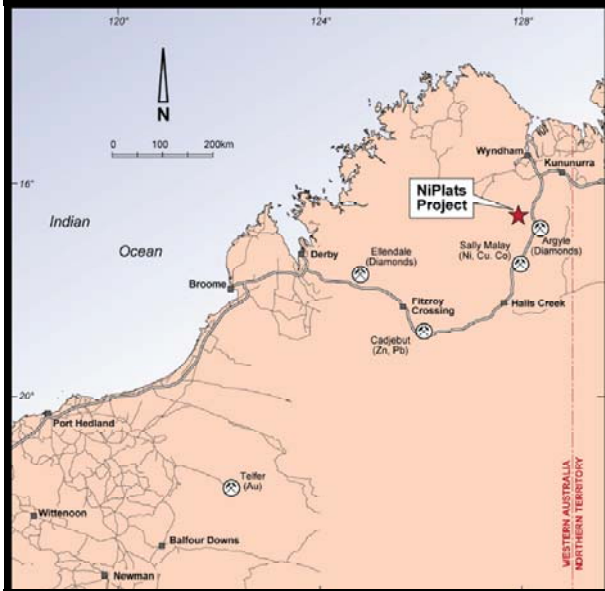
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This report must be read with the disclaimer and disclosures on the final page that forms part of this report.

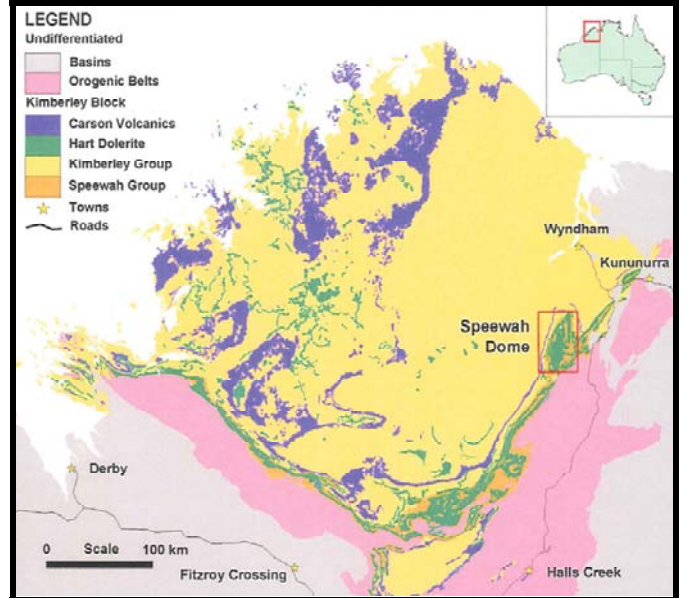
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Exhibit 1: Location of NiPlats' Speewah Project . . .



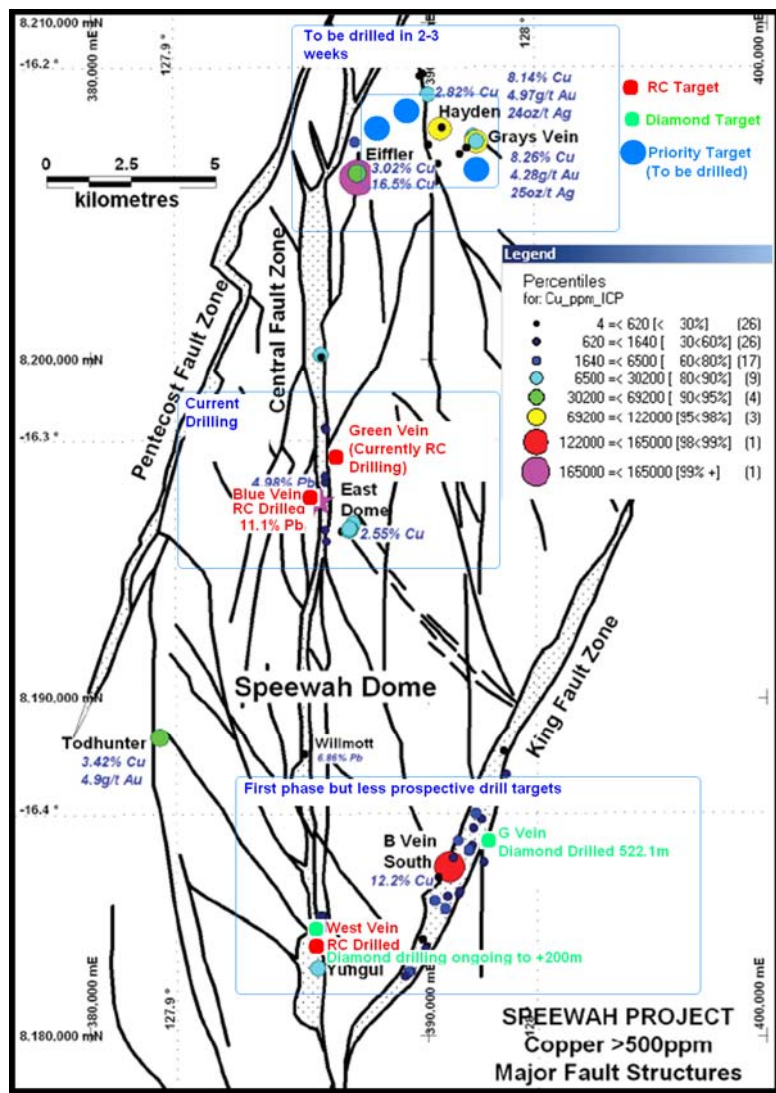
Source: NiPlats; Ocean Equities

Exhibit 2: . . . regional geology highlights a unique target



Source: NiPlats; Ocean Equities

Exhibit 3: Location of all surface rock chip copper anomalies >500ppm Cu within the Speewah Dome



Gray's Vein

8.26% Cu
4.28g/t Au
25oz/t Ag



Gray's Vein

Visible staining



Eiffler

16.5% Cu



Todhunter

3.24% Cu
4.9g/t Au

- RC Drill Rig has completed 4,400m in 30 holes at West, Blue & Green veins
- Diamond Drill Rig has completed +720m in two holes at G & West veins
- Drills moving north – target Eiffler, Grays and Hayden in upcoming weeks

Source: NiPlats; Ocean Equities

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